

SOCIAL SECURITY AMENDMENTS OF 1965

JULY 26, 1965.—Ordered to be printed

Mr. MILLS, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 6675]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6675) to provide a hospital insurance program for the aged under the Social Security Act with a supplementary health benefits program and an expanded program of medical assistance, to increase benefits under the old-age, survivors, and disability insurance system, to improve the Federal-State public assistance programs, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 4, 6, 9, 12, 16, 19, 22, 41, 42, 49a, 49b, 56, 57, 58, 59, 73a, 96, 98, 99, 100, 101, 103, 104, 105, 106, 127a, 133, 139, 141, 144, 146, 158, 160, 161, 161a, 162, 162a, 162b, 162c, 164a, 176a, 177, 181, 182a, 182b, 185a, 185b, 186, 195, 196a, 209, 210, 211, 212, 213, 218, 228, 229, 235, 240, 243, 246, 247, 249, 252, 253, 254, 255, 267, 272, 277, 285, 288, 289, 290, 291, 292, 293, 294, 331, 334, 335, 336, 341, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 421, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 436, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 465, 470, 471, 474, 478, and 510.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 5, 8, 13, 24, 26, 27, 28, 29, 30, 32, 33, 34, 35, 36, 37, 38, 39, 40, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 54, 55, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 71, 72, 73, 75, 76, 77, 78, 79, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 102, 107, 108, 109, 110, 111, 112, 113, 114, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 134, 135, 136, 137, 140, 142, 143, 145, 147, 148, 149, 150, 151, 152, 153, 154, 155, 163, 164, 165, 167, 168, 170, 171, 172, 173, 174, 175, 176, 178, 179, 180, 183, 184, 185, 187, 188, 189, 190, 191, 192, 194, 196, 197, 200, 201, 202, 204, 207, 208, 214, 215, 217, 220, 221, 222, 223,

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Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

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And the Senate agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with amendments as follows:

Restore the matter proposed to be stricken out by the Senate amendment, and on page 10, line 17, of the House engrossed bill, strike out "60" and insert the following: 90; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with amendments as follows:

Restore the matter proposed to be stricken out by the Senate amendment, and on page 11, line 4, of the House engrossed bill, strike out "subsections (c) and (d)" and insert the following: *subsection (c)*; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with amendments as follows:

Restore the matter proposed to be stricken out by the Senate amendment, and on page 11, line 7, of the House engrossed bill, strike out "60 days during such spell; or" and insert the following: *90 days during such spell*;

And the Senate agree to the same.

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *spell; or*; and the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with amendments as follows:

On page 8, line 3, of the Senate engrossed amendments, strike out "(2)" and insert the following: (3)

On page 8, line 5, of the Senate engrossed amendments, strike out "210 days during his lifetime; or" and insert the following: *190 days during his lifetime*.

And the Senate agree to the same.

Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with amendments as follows:

Strike out the matter proposed to be stricken out by the Senate amendment, and on page 11 of the House engrossed bill, after line 10, insert the following:

"(c) *If an individual is an inpatient of a psychiatric hospital or a tuberculosis hospital on the first day of the first month for which he is entitled to benefits under this part, the days on which he was an inpatient of such a hospital in the 90-day period immediately before such first day shall be included in determining the 90-day limit under subsection (b)(1) (but not in determining the 190-day limit under subsection (b)(3)).*

And the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: (d); and the Senate agree to the same.

Amendment numbered 20:

That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: (e); and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *subsections (b), (c), and (d), inpatient hospital services, inpatient psychiatric*; and the Senate agree to the same.

Amendment numbered 23:

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: (f); and the Senate agree to the same.

Amendment numbered 25:

That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with amendments as follows:

On page 13, line 1, of the House engrossed bill, after "DEDUCTIBLES" insert the following: *AND COINSURANCE*

On page 9, line 21, of the Senate engrossed amendments, strike out "deduction" and insert the following: *coinsurance amount*

On page 10, line 1, of the Senate engrossed amendments, after "for each day" insert the following: *(before the 91st day)*

And the Senate agree to the same.

Amendment numbered 31:

That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows:

On page 10, line 16, of the Senate engrossed amendments, strike out "deduction" and insert the following: *coinsurance amount*; and the Senate agree to the same.

Amendment numbered 53:

That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *and (B)*; and the Senate agree to the same.

Amendment numbered 70:

That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *(other than physicians' services unless fur-*

nished by a resident or intern of a hospital); and the Senate agree to the same.

Amendment numbered 74:

That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with amendments as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *year, and (2) the amount of any deduction imposed under section 1813(a)(2)(A) with respect to outpatient hospital diagnostic services furnished in any calendar year shall be regarded as an incurred expense under this part for such year*

On page 35, line 7, of the House engrossed bill, after "except that" insert the following: (1)

On page 35, line 10, of the House engrossed bill, after "year" insert the following: *(or regarded under clause (2) as incurred in such preceding year with respect to services furnished in such last three months)*

And the Senate agree to the same.

Amendment numbered 80:

That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with amendments as follows:

On page 36, line 16, of the House engrossed bill, strike out "DURATION OF" and insert the following: *LIMITATION ON HOME HEALTH*

On page 37 of the House engrossed bill, strike out the sentence beginning in line 6 and insert the following: *Payment under this part may be made for home health services furnished an individual during any calendar year only for 100 visits during such year.*

And the Senate agree to the same.

Amendment numbered 93:

That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *either (i);* and the Senate agree to the same.

Amendment numbered 94:

That the House recede from its disagreement to the amendment of the Senate numbered 94, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *(ii);* and the Senate agree to the same.

Amendment numbered 95:

That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with amendments as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *who has resided in the United States continuously during the 5 years immediately preceding the month in which he applies for enrollment under this part, or (B) is entitled to hospital insurance benefits under part A*

On page 42, line 4, of the House engrossed bill, after "(2)" insert the following: (A)

And the Senate agree to the same.

Amendment numbered 97:

That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with amendments as follows:

Restore the matter proposed to be stricken out by the Senate amendment, omit the matter proposed to be inserted by the Senate amendment, and on page 43, line 4, of the House engrossed bill, after the period insert the following: *For purposes of this subsection and subsection (d), an individual who satisfies paragraph (2) of section 1836 solely by reason of subparagraph (B) thereof shall be treated as satisfying such paragraph (2) on the first day on which he is (or on filing application would be) entitled to hospital insurance benefits under part A.*

And the Senate agree to the same.

Amendment numbered 115:

That the House recede from its disagreement to the amendment of the Senate numbered 115, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *none of the preceding provisions of this section applies, or with respect to whom subsection (d);* and the Senate agree to the same.

Amendment numbered 138:

That the House recede from its disagreement to the amendment of the Senate numbered 138, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *the calendar year 1967;* and the Senate agree to the same.

Amendment numbered 156:

That the House recede from its disagreement to the amendment of the Senate numbered 156, and agree to the same with amendments as follows:

On page 71, line 22, of the House engrossed bill, strike out “, and such individual” and insert the following: *; and an individual*

On page 71, line 23, of the House engrossed bill, strike out “from the” and insert the following: *from an*

And the Senate agree to the same.

Amendment numbered 157:

That the House recede from its disagreement to the amendment of the Senate numbered 157, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *necessary (subject to the second sentence of section 1863);*

And the Senate agree to the same.

Amendment numbered 159:

That the House recede from its disagreement to the amendment of the Senate numbered 159, and agree to the same with amendments as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: *The term ‘extended care facility’ also includes*

an institution described in paragraph (1) of subsection (y), to the extent and subject to the limitations provided in such subsection.

On page 87 of the House engrossed bill, after line 12, insert the following:

"POST-HOSPITAL EXTENDED CARE IN CHRISTIAN SCIENCE EXTENDED CARE FACILITIES

"(y)(1) The term 'extended care facility' also includes a Christian Science sanatorium operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Massachusetts, but only (except for purposes of subsection (a)(2)) with respect to items and services ordinarily furnished by such an institution to inpatients, and payment may be made with respect to services provided by or in such an institution only to such extent and under such conditions, limitations, and requirements (in addition to or in lieu of the conditions, limitations, and requirements otherwise applicable) as may be provided in regulations.

"(2) Notwithstanding any other provision of this title, payment under part A may not be made for services furnished an individual in an extended care facility to which paragraph (1) applies unless such individual elects, in accordance with regulations, for a spell of illness to have such services treated as post-hospital extended care services for purposes of such part; and payment under part A may not be made for post-hospital extended care services—

"(A) furnished an individual during such spell of illness in an extended care facility to which paragraph (1) applies after—

"(i) such services have been furnished to him in such a facility for 30 days during such spell, or

"(ii) such services have been furnished to him during such spell in an extended care facility to which such paragraph does not apply; or

"(B) furnished an individual during such spell of illness in an extended care facility to which paragraph (1) does not apply after such services have been furnished to him during such spell in an extended care facility to which such paragraph applies.

"(3) The amount payable under part A for post-hospital extended care services furnished an individual during any spell of illness in an extended care facility to which paragraph (1) applies shall be reduced by a coinsurance amount equal to one-eighth of the inpatient hospital deductible for each day before the 31st day on which he is furnished such services in such a facility during such spell (and the reduction under this paragraph shall be in lieu of any reduction under section 1813(a)(4)).

"(4) For purposes of subsection (i), the determination of whether services furnished by or in an institution described in paragraph (1) constitute post-hospital extended care services shall be made in accordance with and subject to such conditions, limitations, and requirements as may be provided in regulations.

And the Senate agree to the same.

Amendment numbered 166:

That the House recede from its disagreement to the amendment of the Senate numbered 166, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *"(1) physicians' services;*

And the Senate agree to the same.

Amendment numbered 169:

That the House recede from its disagreement to the amendment of the Senate numbered 169, and agree to the same with amendments as follows:

Restore the matter proposed to be stricken out by the Senate amendment, and on page 82 of the House engrossed bill, strike out lines 15, 16, and 17, and insert the following:

"(1) diagnostic X-ray tests, diagnostic laboratory tests, and other diagnostic tests;

And the Senate agree to the same.

Amendment numbered 182:

That the House recede from its disagreement to the amendment of the Senate numbered 182, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *for use in such hospital;* and the Senate agree to the same.

Amendment numbered 193:

That the House recede from its disagreement to the amendment of the Senate numbered 193, and agree to the same with amendments as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *; except that, in the case of any State or political subdivision of a State which imposes higher requirements on institutions as a condition to the purchase of services (or of certain specified services) in such institutions under a State plan approved under title I, XVI, or XIX, the Secretary shall impose like requirements as a condition to the payment for services (or for the services specified by the State or subdivision) in such institutions in such State or subdivision*

On page 66, line 15, of the House engrossed bill, before the period insert the following: *(subject to the second sentence of section 1863)*

On page 91, line 22, of the House engrossed bill, strike out "An" and insert the following: *Except as provided in the second sentence of section 1863, an*

And the Senate agree to the same.

Amendment numbered 198:

That the House recede from its disagreement to the amendment of the Senate numbered 198, and agree to the same with amendments as follows:

Restore the matter proposed to be stricken out by the Senate amendment, omit the matter proposed to be inserted by the Senate amendment, and on page 93, of the House engrossed bill, strike out line 9 and "section 1833(b)" in line 10 and insert the following: *or coinsurance amount imposed pursuant to section 1813(a)(1), (a)(2), or (a)(4), section 1833(b), or section 1861(y)(3);* and the Senate agree to the same.

Amendment numbered 199:

That the House recede from its disagreement to the amendment of the Senate numbered 199, and agree to the same with an amendment as follows:

On page 35, line 16, of the Senate engrossed amendments, strike out "(or may be)"; and the Senate agree to the same.

Amendment numbered 203:

That the House recede from its disagreement to the amendment of the Senate numbered 203, and agree to the same with an amendment as follows:

On page 101, line 18, of the House engrossed bill, after "and" insert the following: *, in the case of a determination as to entitlement or as to amount of benefits where the amount in controversy is \$1,000 or more,*

And the Senate agree to the same.

Amendment numbered 205:

That the House recede from its disagreement to the amendment of the Senate numbered 205, and agree to the same with amendments as follows:

Restore the matter proposed to be stricken out by the Senate amendment, omit the matter proposed to be inserted by the Senate amendment, on page 102, line 18, of the House engrossed bill, strike out "or 1835(c)", and on page 103, line 13, of the House engrossed bill, strike out "1834(f)" and insert the following: *1841(f)*; and the Senate agree to the same.

Amendment numbered 206:

That the House recede from its disagreement to the amendment of the Senate numbered 206, and agree to the same with amendments as follows:

Restore the matter proposed to be stricken out by the Senate amendment, omit the matter proposed to be inserted by the Senate amendment, and on page 103, line 21, of the House engrossed bill, strike out "sections 1814(e) and 1835(c))" and insert the following: *section 1814(e)*; and the Senate agree to the same.

Amendment numbered 216:

That the House recede from its disagreement to the amendment of the Senate numbered 216, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *5 years*; and the Senate agree to the same.

Amendment numbered 219:

That the House recede from its disagreement to the amendment of the Senate numbered 219, and agree to the same with amendments as follows:

Omit the matter proposed to be inserted by the Senate amendment, and on page 109 of the House engrossed bill, strike out line 14 and all that follows through line 21, and insert the following:

(3)(A) at the beginning of such first month is covered by an enrollment in a health benefits plan under the Federal Employees Health Benefits Act of 1959,

(B) was so covered on February 16, 1965, or

(C) could have been so covered for such first month if he or some other person had availed himself of opportunities to enroll in a health benefits plan under such Act and to continue such enrollment (but this subparagraph shall not apply unless he or such other person was a Federal employee at any time after February 15, 1965).

Paragraph (3) shall not apply in the case of any individual for the month (or any month thereafter) in which coverage under such a health benefits plan ceases (or would have ceased if he had had such coverage) by reason of his or some other person's separation from Federal service, if he or such other person was not (or would not have been) eligible to continue such coverage after such separation.

And the Senate agree to the same.

Amendment numbered 227:

That the House recede from its disagreement to the amendment of the Senate numbered 227, and agree to the same with amendments as follows:

Restore the matter proposed to be stricken out by the Senate amendment, and on page 115, line 9, of the House engrossed bill, strike out "\$250" and insert the following: \$150; and the Senate agree to the same.

Amendment numbered 234:

That the House recede from its disagreement to the amendment of the Senate numbered 234, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(d)(1) Section 213 of such Code (relating to medical, dental, etc., expenses) is amended by striking out subsections (c) and (g) of such section.

(2)(A) Section 72(m)(5)(A)(i) of such Code (relating to special rules applicable to employment annuities and distributions under employee plans) is amended by striking out "section 213(g)(3)" and inserting in lieu thereof "paragraph (7) of this subsection".

(B) Section 72(m) of such Code is further amended by adding at the end thereof the following new paragraph:

"(7) MEANING OF DISABLED.—For purposes of this section, an individual shall be considered to be disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. An individual shall not be considered to be disabled unless he furnishes proof of the existence thereof in such form and manner as the Secretary or his delegate may require."

(C) Subparagraphs (A)(iii) and (B)(iii) of section 72(n)(1) of such Code (relating to treatment of certain distributions with respect to contributions by self-employed individuals) are each amended by striking out "section 213(g)(3)" and inserting in lieu thereof "subsection (m)(7)".

(3) Section 79(b)(1) of such Code (relating to group-term life insurance purchased for employees) is amended by striking out "paragraph (3) of section 213(g), determined without regard to paragraph (4) thereof" and inserting in lieu thereof "section 72(m)(7)".

(4) Section 401(d)(4)(B) of such Code (relating to additional requirements for qualification of trusts and plans benefiting owner-employees) is

amended by striking out "section 213(g)(3)" and inserting in lieu thereof "section 72(m)(7)".

(5) Section 405(b)(1)(D)(ii) of such Code (relating to qualified bond purchase plans) is amended by striking out "section 213(g)(3)" and inserting in lieu thereof "section 72(m)(7)".

And the Senate agree to the same.

Amendment numbered 248:

That the House recede from its disagreement to the amendment of the Senate numbered 248, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

ROLE OF THE RAILROAD RETIREMENT BOARD IN THE ADMINISTRATION
OF HOSPITAL INSURANCE FOR THE AGED

SEC. 111. (a) The first sentence of section 1874(a) of the Social Security Act is amended to read as follows: "Except as otherwise provided in this title and in the Railroad Retirement Act of 1937, the insurance programs established by this title shall be administered by the Secretary."

(b)(1) Section 21 of the Railroad Retirement Act of 1937 (as added by section 105 of this Act) is amended to read as follows:

"HOSPITAL INSURANCE BENEFITS FOR THE AGED

"SEC. 21. (a) For the purposes of this section, the Board shall have the same authority to determine the rights of individuals described in subsection (b) of this section to have payments made on their behalf for hospital insurance benefits consisting of inpatient hospital services, post-hospital extended care services, post-hospital home health services, and outpatient hospital diagnostic services (all hereinafter referred to as 'services') under section 226, and parts A and C of title XVIII, of the Social Security Act as the Secretary of Health, Education, and Welfare has under such section and such parts with respect to individuals to whom such section and such parts apply. For purposes of section 11, a determination with respect to the rights of an individual under this section shall, except in the case of a provider of services, be considered to be a decision with respect to an annuity.

"(b) Except as otherwise provided in this section, every individual who—

"(1) has attained age 65, and

"(2) (A) is entitled to an annuity under this Act, or (B) would be entitled to such an annuity had he ceased compensated service and, in the case of a spouse, had such spouse's husband or wife ceased compensated service, or (C) had been awarded a pension under section 6, or (D) bears a relationship to an employee which, by reason of section 3(e), has been, or would be, taken into account in calculating the amount of an annuity of such employee or his survivors,

shall be certified to the Secretary of Health, Education, and Welfare as a qualified railroad retirement beneficiary under section 226 of the Social Security Act.

"(c) The Board and the Secretary of Health, Education, and Welfare shall furnish each other with such information, records, and documents as may be considered necessary to the administration of this section or section 226, and part A of title XVIII of the Social Security Act.

"(d) For purposes of this section (and sections 1840, 1843, and 1870 of the Social Security Act), entitlement to an annuity or pension under this Act shall be deemed to include entitlement under the Railroad Retirement Act of 1935.

"(e) The rights of individuals described in subsection (b) of this section to have payment made on their behalf for the services referred to in subsection (a) of this section but provided in Canada shall be the same as those of individuals to whom section 226 and part A of title XVIII of the Social Security Act apply, and this subsection shall be administered by the Board as if the provisions of section 226 and part A of title XVIII of the Social Security Act were applicable, as if references to the Secretary of Health, Education, and Welfare were to the Board, as if references to the Federal Hospital Insurance Trust Fund were to the Railroad Retirement Account, as if references to the United States or a State included Canada or a subdivision thereof, and as if the provisions of sections 1862(a)(4), 1863, 1864, 1867, 1868, 1869, 1874(b), and 1875 of such title XVIII were not included in such title. The payments for services herein provided for in Canada shall be made from the Railroad Retirement Account (in accordance with, and subject to, the conditions applicable under section 10(b) in making payment of other benefits) to the hospital, extended care facility, or home health agency providing such services in Canada to individuals to whom subsection (b) of this section applies, but only to the extent that the amount of payments for services otherwise hereunder provided for an individual exceeds the amount payable for like services provided pursuant to the law in effect in the place in Canada where such services are furnished. For the purposes of section 9 of this Act, any overpayment under this subsection shall be treated as if it were an overpayment of an annuity."

(2) Section 5(k)(2) of such Act is amended—

(A) by striking out subparagraphs (A) and (B) and redesignating subparagraphs (C), (D), and (E) as subparagraphs (A), (B), and (C), respectively;

(B) by striking out the second sentence and the last sentence of subdivision (i) of the subparagraph redesignated as subparagraph (A) by subparagraph (A) of this paragraph; and by striking out from such subdivision (i) "the Retirement Account" and inserting in lieu thereof "the Railroad Retirement Account (hereinafter termed 'Retirement Account')";

(C) by adding at the end of the subparagraph redesignated as subparagraph (A) by subparagraph (A) of this paragraph the following new subdivision:

"(iii) At the close of the fiscal year ending June 30, 1966, and each fiscal year thereafter, the Board and the Secretary of Health, Education, and Welfare shall determine the amount, if any, which, if added to or subtracted from the Federal Hospital Insurance Trust Fund, would place such fund in the same position in which it would have been if service as an employee after December 31, 1936, had been included in the term 'employment' as defined in the Social Security Act and in the Federal Insurance Contributions Act. Such determination shall be made no later than June 15 following the close

of the fiscal year. If such amount is to be added to the Federal Hospital Insurance Trust Fund, the Board shall, within ten days after the determination, certify such amount to the Secretary of the Treasury for transfer from the Retirement Account to the Federal Hospital Insurance Trust Fund; and if such amount is to be subtracted from the Federal Hospital Insurance Trust Fund the Secretary of Health, Education, and Welfare shall, within ten days after the determination, certify such amount to the Secretary of the Treasury for transfer from the Federal Hospital Insurance Trust Fund to the Retirement Account. The amount so certified shall further include interest (at the rate determined under subparagraph (B) for the fiscal year under consideration) payable from the close of such fiscal year until the date of certification.”;

(D) by striking out “subparagraph (D)” where it appears in the subparagraph redesignated as subparagraph (A) by subparagraph (A) of this paragraph, and inserting in lieu thereof “subparagraph (B)”;

(E) by striking out “subparagraphs (B) and (C)” where it appears in the subparagraph redesignated as subparagraph (B) by subparagraph (A) of this paragraph and inserting in lieu thereof “subparagraph (A)”;

(F) by amending the subparagraph redesignated as subparagraph (C) by subparagraph (A) of this paragraph to read as follows:

“(C) The Secretary of the Treasury is authorized and directed to transfer to the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, or the Federal Hospital Insurance Trust Fund from the Retirement Account or to the Retirement Account from the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, or the Federal Hospital Insurance Trust Fund, as the case may be, such amounts as, from time to time, may be determined by the Board and the Secretary of Health, Education, and Welfare pursuant to the provisions of subparagraph (A), and certified by the Board or the Secretary of Health, Education, and Welfare for transfer from the Retirement Account or from the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, or the Federal Hospital Insurance Trust Fund.”

(c) (1) Section 3201 of the Internal Revenue Code of 1954 (relating to rate of tax on employees under the Railroad Retirement Tax Act) is amended by striking out “section 3101(a)” and inserting in lieu thereof “section 3101(a) plus the rate imposed by section 3101(b)”.

(2) Section 3211 of such Code (relating to the rate of tax on employee representatives under the Railroad Retirement Tax Act) is amended by striking out “section 3101(a)” and inserting in lieu thereof “section 3101(a) plus the rate imposed by section 3101(b)”.

(3) Section 3221(b) of such Code (relating to the rate of tax on employers under the Railroad Retirement Tax Act) is amended by striking out “section 3111(a)” and inserting in lieu thereof “section 3111(a) plus the rate imposed by section 3111(b)”.

(4) Section 1401(b) (as amended by section 321 of this Act) of such Code (relating to the rate of tax under the Self-Employment Contributions Act) is amended by striking out the last sentence.

(5) Section 3101(b) of such Code (relating to the rate of tax on employees under the Federal Insurance Contributions Act) is amended by

striking out “, but without regard to the provisions of paragraph (9) thereof insofar as it relates to employees”.

(6) Section 3111(b) of such Code (relating to the rate of tax on employers under the Federal Insurance Contributions Act) is amended by striking out “, but without regard to the provisions of paragraph (9) thereof insofar as it relates to employees”.

(d) There are authorized to be appropriated to the Federal Hospital Insurance Trust Fund (established by section 1817 of the Social Security Act) from time to time such sums as the Secretary deems necessary for any fiscal year, on account of—

(1) payments made or to be made during such fiscal year from such Trust Fund under part A of title XVIII of such Act with respect to individuals who are qualified railroad retirement beneficiaries (as defined in section 226(c) of such Act) and who are not, and upon filing application for monthly insurance benefits under section 202 of such Act would not be, entitled to such benefits if service as an employee (as defined in the Railroad Retirement Act of 1937) after December 31, 1936, had been included in the term “employment” as defined in the Social Security Act,

(2) the additional administrative expenses resulting or expected to result therefrom, and

(3) any loss of interest to such Trust Fund resulting from the payment of such amounts,
in order to place such Trust Fund in the same position at the end of such fiscal year in which it would have been if the individuals described in paragraph (1) had not been entitled to benefits under part A of title XVIII of the Social Security Act.

(e)(1) The amendments made by the preceding provisions of this section shall apply to the calendar year 1966 or to any subsequent calendar year, but only if the requirement in paragraph (2) has been met with respect to such calendar year.

(2) The requirement referred to in paragraph (1) shall be deemed to have been met with respect to any calendar year if, as of the October 1 immediately preceding such calendar year, the Railroad Retirement Tax Act provides that the maximum amount of monthly compensation taxable under such Act during all months of such calendar year will be an amount equal to one-twelfth of the maximum wages which the Federal Insurance Contributions Act provides may be counted for such calendar year.

And the Senate agree to the same.

Amendment numbered 258:

That the House recede from its disagreement to the amendment of the Senate numbered 258, and agree to the same with amendments as follows:

Omit the matter proposed to be inserted by the Senate amendment, and on page 128 of the House engrossed bill, after line 18, insert the following:

except that the making available of the services described in paragraph (4) or (14) of section 1905(a) to individuals meeting the age requirement prescribed therein shall not, by reason of this paragraph (10), require the making available of any such services, or the making available of such services of the same amount, duration, and scope, to individuals of any other ages;

And the Senate agree to the same.

Amendment numbered 265:

That the House recede from its disagreement to the amendment of the Senate numbered 265, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *diseases; and*; and the Senate agree to the same.

Amendment numbered 266:

That the House recede from its disagreement to the amendment of the Senate numbered 266, and agree to the same with an amendment as follows:

On page 61, line 3, of the Senate engrossed amendments, strike out “; and” and insert a period; and the Senate agree to the same.

Amendment numbered 274:

That the House recede from its disagreement to the amendment of the Senate numbered 274, and agree to the same with an amendment as follows:

Omit the matter proposed to be inserted by the Senate amendment, and on page 142 of the House engrossed bill strike out “who” in line 13 and all that follows down through line 18 and insert the following:
who are—

“(i) *under the age of 21,*

“(ii) *relatives specified in section 406(b)(1) with whom a child is living if such child, except for section 406(a)(2), is (or would, if needy, be) a dependent child under title IV,*

“(iii) *65 years of age or older,*

“(iv) *blind, or*

“(v) *18 years of age or older and permanently and totally disabled,*
but whose

And the Senate agree to the same.

Amendment numbered 276:

That the House recede from its disagreement to the amendment of the Senate numbered 276, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *(other than services in an institution for tuberculosis or mental diseases) for individuals 21 years of age or older*; and the Senate agree to the same.

Amendment numbered 279:

That the House recede from its disagreement to the amendment of the Senate numbered 279, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

“(14) *inpatient hospital services and skilled nursing home services for individuals 65 years of age or over in an institution for tuberculosis or mental diseases; and*

And the Senate agree to the same.

Amendment numbered 281:

That the House recede from its disagreement to the amendment of the Senate numbered 281, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *after December 31, 1969*; and the Senate agree to the same.

Amendment numbered 282:

That the House recede from its disagreement to the amendment of the Senate numbered 282, and agree to the same with amendments as follows:

On page 63 of the Senate engrossed amendments, strike out line 2 and insert the following:

(2) *Section 1109 of such Act is amended to read as follows:*

“AMOUNTS DISREGARDED NOT TO BE TAKEN INTO ACCOUNT IN
DETERMINING ELIGIBILITY OF OTHER INDIVIDUALS

“*SEC. 1109. Any*

On page 63, line 4, of the Senate engrossed amendments, before “eligibility” insert the following: *the*

And the Senate agree to the same.

Amendment numbered 286:

That the House recede from its disagreement to the amendment of the Senate numbered 286, and agree to the same with amendments as follows:

Omit the matter proposed to be inserted by the Senate amendment, and on page 146, line 19, of the House engrossed bill, strike out “succeeding fiscal years” and insert the following: *each fiscal year thereafter*; and the Senate agree to the same.

Amendment numbered 287:

That the House recede from its disagreement to the amendment of the Senate numbered 287, and agree to the same with amendments as follows:

Omit the matter proposed to be inserted by the Senate amendment, and on page 147, line 14, of the House engrossed bill, strike out “succeeding fiscal years” and insert the following: *each fiscal year thereafter*; and the Senate agree to the same.

Amendment numbered 295:

That the House recede from its disagreement to the amendment of the Senate numbered 295, and agree to the same with amendments as follows:

On page 68, line 10, of the Senate engrossed amendments, strike out “each year”.

On page 68, line 11, of the Senate engrossed amendments, strike out “succeeding fiscal years” and insert the following: *each fiscal year thereafter*

And the Senate agree to the same.

Amendment numbered 296:

That the House recede from its disagreement to the amendment of the Senate numbered 296, and agree to the same with amendments as follows:

On page 68 of the Senate engrossed amendments, after line 21, insert the following:

"ALLOTMENTS TO STATES

On page 69 of the Senate engrossed amendments, strike out line 12 and all that follows through line 17 and insert the following:

"(v) that day care provided under the plan will be provided only in facilities (including private homes) which are licensed by the State, or approved (as meeting the standards established for such licensing) by the State agency responsible for licensing facilities of this type, and"

On page 69 of the Senate engrossed amendments, strike out line 18 and all that follows through line 22 and insert the following:

(d) The amendments made by this section shall take effect on January 1, 1966.

And the Senate agree to the same.

Amendment numbered 301:

That the House recede from its disagreement to the amendment of the Senate numbered 301, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *(as amended by section 403(e) of this Act)*; and the Senate agree to the same.

Amendment numbered 312:

That the House recede from its disagreement to the amendment of the Senate numbered 312, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SEC. 303. (a)(1) Clause (A) of the first sentence of section 216(i)(1) of the Social Security Act is amended by striking out "or to be of long-continued and indefinite duration" and inserting in lieu thereof "or has lasted or can be expected to last for a continuous period of not less than 12 months".

(2) So much of section 223(c)(2) of such Act as precedes the second sentence thereof is amended to read as follows:

"(2) The term 'disability' means—

"(A) inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; or"

And the Senate agree to the same.

Amendment numbered 316:

That the House recede from its disagreement to the amendment of the Senate numbered 316, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(3) *Subparagraph (D) of section 223(a)(1) of such Act is amended by striking out "at the time such application is filed,". So much of such section 223(a)(1) as follows subparagraph (E) is amended by striking out "the first month for which he is entitled to old-age insurance benefits,".*

And the Senate agree to the same.

Amendment numbered 324:

That the House recede from its disagreement to the amendment of the Senate numbered 324, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(2) *The amendment made by subsection (e) shall apply in the case of the primary insurance amounts of individuals who attain age 65 after the date of enactment of this Act.*

And the Senate agree to the same.

Amendment numbered 329:

That the House recede from its disagreement to the amendment of the Senate numbered 329, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *0.70*; and the Senate agree to the same.

Amendment numbered 330:

That the House recede from its disagreement to the amendment of the Senate numbered 330, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *0.525*; and the Senate agree to the same.

Amendment numbered 332:

That the House recede from its disagreement to the amendment of the Senate numbered 332, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *18*; and the Senate agree to the same.

Amendment numbered 333:

That the House recede from its disagreement to the amendment of the Senate numbered 333, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(E) the month in which such child attains the age of 18, but only if he (i) is not under a disability (as so defined) at the time he attains such age, and (ii) is not a full-time student during any part of such month,

"(F) if such child was not under a disability (as so defined) at the time he attained the age of 18, the earlier of—

"(i) the first month during no part of which he is a full-time student, or

"(ii) the month in which he attains the age of 22, or

"(G) if such child was under a disability (as so defined) at the time he attained the age of 18, the third month following the month

in which he ceases to be under such disability or (if later) the earlier of—

“(i) the first month during no part of which he is a full-time student, or

“(ii) the month in which he attains the age of 22.”

And the Senate agree to the same.

Amendment numbered 346:

That the House recede from its disagreement to the amendment of the Senate numbered 346, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: 18; and the Senate agree to the same.

Amendment numbered 362:

That the House recede from its disagreement to the amendment of the Senate numbered 362, and agree to the same with amendments as follows:

On page 82, line 8, of the Senate engrossed amendments, strike out “\$150” and insert the following: \$125

On page 82, line 14, of the Senate engrossed amendments, strike out “\$150” and insert the following: \$125

And the Senate agree to the same.

Amendment numbered 364:

That the House recede from its disagreement to the amendment of the Senate numbered 364, and agree to the same with amendments as follows:

Restore the matter proposed to be stricken out by the Senate amendment, and omit the matter proposed to be inserted by the Senate amendment.

On page 222, lines 17, 18, and 19, of the House engrossed bill, strike out “Such tips shall be deemed to be paid to the employee by the employer and shall be deemed to be so paid” and insert the following: *Such remuneration shall be deemed to be paid*

On page 223 of the House engrossed bill, strike out line 10 and all that follows through line 23 on page 224 and insert the following:

“(c) *SPECIAL RULE FOR TIPS.—*

“(1) In the case of tips which constitute wages, subsection (a) shall be applicable only to such tips as are included in a written statement furnished to the employer pursuant to section 6053(a), and only to the extent that collection can be made by the employer, at or after the time such statement is so furnished and before the close of the 10th day following the calendar month (or, if paragraph (3) applies, the 30th day following the quarter) in which the tips were deemed paid, by deducting the amount of the tax from such wages of the employee (excluding tips, but including funds turned over by the employee to the employer pursuant to paragraph (2)) as are under control of the employer.

“(2) If the tax imposed by section 3101, with respect to tips which are included in written statements furnished in any month to the employer pursuant to section 6053(a), exceeds the wages of the employee (excluding tips) from which the employer is required to collect the tax under paragraph (1), the employee may furnish to the employer on or before the 10th day of the following month (or, if

paragraph (3) applies, on or before the 30th day of the following quarter) an amount of money equal to the amount of the excess.

"(3) The Secretary or his delegate may, under regulations prescribed by him, authorize employers—

"(A) to estimate the amount of tips that will be reported by the employee pursuant to section 6053(a) in any quarter of the calendar year,

"(B) to determine the amount to be deducted upon each payment of wages (exclusive of tips) during such quarter as if the tips so estimated constituted the actual tips so reported, and

"(C) to deduct upon any payment of wages (other than tips, but including funds turned over by the employee to the employer pursuant to paragraph (2)) to such employee during such quarter (and within 30 days thereafter) such amount as may be necessary to adjust the amount actually deducted upon such wages of the employee during the quarter to the amount required to be deducted in respect of tips included in written statements furnished to the employer during the quarter.

"(4) If the tax imposed by section 3101 with respect to tips which constitute wages exceeds the portion of such tax which can be collected by the employer from the wages of the employee pursuant to paragraph (1) or paragraph (3), such excess shall be paid by the employee."

On page 226 of the House engrossed bill, strike out lines 3 through 7 and insert the following:

"(q) **TIPS INCLUDED FOR EMPLOYEE TAXES.**—For purposes of this chapter other than for purposes of the taxes imposed by section 3111, tips received by an employee in the course of his employment shall be considered remuneration for employment. Such remuneration shall be deemed to be paid at the time a written

On page 226, lines 17, 18, and 19, of the House engrossed bill, strike out "Such tips shall be deemed to be paid to the employee by the employer, and shall be deemed to be so paid" and insert the following: *Such wages shall be deemed to be paid*

On page 227, after line 14, of the House engrossed bill, insert the following:

(4) Section 3402(h)(3) of such Code (relating to income tax withholding on basis of average wages) is amended by inserting after "quarter" the first place it appears the following: "(and, in the case of tips referred to in subsection (k), within 30 days thereafter)".

On page 227, line 15, of the House engrossed bill, strike out "(4)" and insert the following: (5)

On page 227, lines 23 and 24, of the House engrossed bill, strike out "the employee receives the tips which are included in such statement," and insert the following: *such statement is furnished,*

On page 228 of the House engrossed bill, strike out lines 15 through 26 and insert the following: *the aggregate of such wages and funds (including funds turned over under section 3102(c)(2)) minus any tax required by section 3102(a) to be collected from such wages and funds."*

(e)(1) Section 6051(a) of such Code (relating to receipts for employees) is amended by adding at the end thereof the following new sentence: "In the case of tips received by an employee in the course of his employment,

the amounts required to be shown by paragraphs (3) and (5) shall include only such tips as are included in statements furnished to the employer pursuant to section 6053(a)."

On page 229, line 6, of the House engrossed bill, after "(a)" insert the following: *REPORTS BY EMPLOYEES.*—

On page 229 of the House engrossed bill, strike out lines 15 through 22 and insert the following:

"(b) STATEMENTS FURNISHED BY EMPLOYERS.—If the tax imposed by section 3101 with respect to tips reported by an employee pursuant to subsection (a) exceeds the tax which can be collected by the employer pursuant to section 3102, the employer shall furnish to the employee a written statement showing the amount of such excess. The statement required to be furnished pursuant to this subsection shall be furnished at such time, shall contain such other information, and shall be in such form as the Secretary or his delegate may by regulations prescribe. When required by such regulations, a duplicate of any such statement shall be filed with the Secretary or his delegate."

(B) Section 6652(b) of such Code (relating to failure to file information returns) is amended by inserting after "income tax withheld," the following: "and in the case of each failure to furnish a statement required by section 6053(b) (relating to statements furnished by employers with respect to tips),"

(C) Section 6674 of such Code (relating to fraudulent statement or failure to furnish statement to employee) is amended by striking out "6051" each place it appears and inserting in lieu thereof "6051 or 6053(b)".

On page 229, line 23, of the House engrossed bill, strike out "(B)" and insert the following: (D)

On page 230 of the House engrossed bill, strike out lines 5 through 20 and insert the following:

"(c) FAILURE TO REPORT TIPS.—In the case of failure by an employee to report to his employer on the date and in the manner prescribed therefor any amount of tips required to be so reported by section 6053(a) which are wages (as defined in section 3121(a)), unless it is shown that such failure is due to reasonable cause and not due to willful neglect, there shall be paid by the employee, in addition to the tax imposed by section 3101 with respect to the amount of tips which he so failed to report, an amount equal to 50 percent of such tax."

On page 230, line 21, of the House engrossed bill, strike out "(g)" and insert the following: (f)

And the Senate agree to the same.

Amendment numbered 385:

That the House recede from its disagreement to the amendment of the Senate numbered 385, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *1966, and;* and the Senate agree to the same.

Amendment numbered 407:

That the House recede from its disagreement to the amendment of the Senate numbered 407, and agree to the same with amendments as follows:

Strike out the matter proposed to be stricken out by the Senate amendment.

Insert the matter proposed to be inserted by the Senate amendment.

On page 253, line 9, of the House engrossed bill, strike out "1969," and insert the following: *1967*,

On page 253, after line 11, of the House engrossed bill, insert the following:

"(2) in the case of any taxable year beginning after December 31, 1966, and before January 1, 1969, the tax shall be equal to 5.9 percent of the amount of the self-employment income for such taxable year;

On page 253, line 12, of the House engrossed bill, strike out "(2)" and insert the following: (3)

On page 253, line 17, of the House engrossed bill, strike out "(3)" and insert the following: (4)

And the Senate agree to the same.

Amendment numbered 420:

That the House recede from its disagreement to the amendment of the Senate numbered 420, and agree to the same with amendments as follows:

Strike out the matter proposed to be stricken out by the Senate amendment.

Insert the matter proposed to be inserted by the Senate amendment.

On page 255, line 12, of the House engrossed bill, strike out "years 1966, 1967, and 1968," and insert the following: *year 1966*,

On page 255, after line 13, of the House engrossed bill, insert the following:

"(2) with respect to wages received during the calendar years 1967 and 1968, the rate shall be 3.9 percent;

On page 255, line 14, of the House engrossed bill, strike out "(2)" and insert the following: (3)

On page 255, line 17, of the House engrossed bill, strike out "(3)" and insert the following: (4)

And the Senate agree to the same.

Amendment numbered 422:

That the House recede from its disagreement to the amendment of the Senate numbered 422, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *4.85*; and the Senate agree to the same.

Amendment numbered 435:

That the House recede from its disagreement to the amendment of the Senate numbered 435, and agree to the same with amendments as follows:

Strike out the matter proposed to be stricken out by the Senate amendment.

Insert the matter proposed to be inserted by the Senate amendment.

On page 257, line 4, of the House engrossed bill, strike out "years 1966, 1967, and 1968," and insert the following: *year 1966*,

On page 257, after line 5, of the House engrossed bill, insert the following:

"(2) with respect to wages paid during the calendar years 1967 and 1968, the rate shall be 3.9 percent;

On page 257, line 6, of the House engrossed bill, strike out "(2)" and insert the following: (3)

On page 257, line 9, of the House engrossed bill, strike out "(3)" and insert the following: (4)

And the Senate agree to the same.

Amendment numbered 437:

That the House recede from its disagreement to the amendment of the Senate numbered 437, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: 4.85; and the Senate agree to the same.

Amendment numbered 458:

That the House recede from its disagreement to the amendment of the Senate numbered 458, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

UNDERPAYMENTS

SEC. 329. Section 204 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding the provisions of subsection (a), if an individual dies before any payment due him under this title is completed, and the total amount due at the time of his death does not exceed the amount of the monthly insurance benefit to which he was entitled for the month preceding the month in which he died, payment of the amount due shall be made—

"(1) to the person, if any, determined by the Secretary to be the surviving spouse of the deceased individual and to have been living in the same household with the deceased at the time of his death, or

"(2) if there is no such person, or if such person dies before receiving payment, to the legal representative of the estate of such deceased individual."

And the Senate agree to the same.

Amendment numbered 460:

That the House recede from its disagreement to the amendment of the Senate numbered 460, and agree to the same with amendments as follows:

On page 99, line 6, of the Senate engrossed amendments, after "tax" insert the following: *exemption*

On page 100, line 9, of the Senate engrossed amendments, strike out "this paragraph" and insert the following: *the Social Security Amendments of 1965*

On page 100, line 12, of the Senate engrossed amendments, strike out "this paragraph" and insert the following: *the Social Security Amendments of 1965*

On page 101, line 1, of the Senate engrossed amendments, strike out "(B)," and insert the following: *(B) ending before January 1, 1966,*

On page 101, line 12, of the Senate engrossed amendments, after "Code" insert the following: *of 1954, as amended by subsection (a)*

On page 101, line 15, of the Senate engrossed amendments, after "year" insert the following: *ending before January 1, 1966,*

On page 102, line 3, of the Senate engrossed amendments, after "year" insert the following: *ending before January 1, 1966*,
And the Senate agree to the same.

Amendment numbered 461:

That the House recede from its disagreement to the amendment of the Senate numbered 461, and agree to the same with an amendment as follows:

On page 103, line 16, of the Senate engrossed amendments, after "claimant" insert the following: *under this title*; and the Senate agree to the same.

Amendment numbered 462:

That the House recede from its disagreement to the amendment of the Senate numbered 462, and agree to the same with an amendment as follows:

On page 105, line 15, of the Senate engrossed amendments, strike out "(3)," and insert the following: (3) *and subsection (q)*,

And the Senate agree to the same.

Amendment numbered 464:

That the House recede from its disagreement to the amendment of the Senate numbered 464, and agree to the same with amendments as follows:

On page 110 of the Senate engrossed amendments, strike out lines 10 through 14 and insert the following:

SEC. 335. Effective with respect to benefits under title II of the Social Security Act for months after December 1965 based on the wages and self-employment income of an individual who is entitled to benefits under section 223 of such Act and whose period of disability (as defined in such title) began after June 1, 1965, title II of such Act is amended by inserting after section 223 the following new section:

On page 111, line 8, of the Senate engrossed amendments, strike out "month and" and insert the following: *month, and*

On page 111, line 21, of the Senate engrossed amendments, after "month" insert the following: *(in a continuous period of months)*

And the Senate agree to the same.

Amendment numbered 466:

That the House recede from its disagreement to the amendment of the Senate numbered 466, and agree to the same with amendments as follows:

On page 117 of the Senate engrossed amendments, strike out lines 6 through 9 and insert the following:

SEC. 336. Section 222 of the Social Security Act is amended by adding at the end thereof the following new subsection:

On page 117, line 11, of the Senate engrossed amendments, strike out "(b)(1)" and insert the following: (d)(1)

On page 118, line 5, of the Senate engrossed amendments, before "benefits" insert the following: *total of the*

On page 118, line 7, of the Senate engrossed amendments, strike out "or" and insert the following: *, and the benefits*

On page 119, line 8, of the Senate engrossed amendments, before "followed" insert the following: *which would otherwise be*

And the Senate agree to the same.

Amendment numbered 467:

That the House recede from its disagreement to the amendment of the Senate numbered 467, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TEACHERS IN THE STATE OF MAINE

SEC. 337. (a) Section 316 of the Social Security Amendments of 1958 is amended by striking out "July 1, 1965" and inserting in lieu thereof "July 1, 1967".

(b) The amendment made by this section shall be effective as of July 1, 1965.

And the Senate agree to the same.

Amendment numbered 468:

That the House recede from its disagreement to the amendment of the Senate numbered 468, and agree to the same with an amendment as follows:

On page 121, line 8, of the Senate engrossed amendments, strike out "339" and insert the following: 338; and the Senate agree to the same.

Amendment numbered 469:

That the House recede from its disagreement to the amendment of the Senate numbered 469, and agree to the same with an amendment as follows:

On page 122, line 4, of the Senate engrossed amendments, strike out "340" and insert the following: 339; and the Senate agree to the same.

Amendment numbered 472:

That the House recede from its disagreement to the amendment of the Senate numbered 472, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

DISCLOSURE, UNDER CERTAIN CIRCUMSTANCES, TO COURTS AND INTERESTED WELFARE AGENCIES OF WHEREABOUTS OF INDIVIDUALS

SEC. 340. Section 1106 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(c)(1) Upon request (filed in accordance with paragraph (2) of this subsection) of any State or local agency participating in administration of the State plan approved under title I, IV, X, XIV, XVI, or XIX, or participating in the administration of any other State or local public assistance program, for the most recent address of any individual included in the files of the Department of Health, Education, and Welfare maintained pursuant to section 205, the Secretary shall furnish such address, or the address of the most recent employer, or both, if such agency certifies that—

"(A) an order has been issued by a court of competent jurisdiction against such individual for the support and maintenance of his child or children who are under the age of 16 in destitute or necessitous circumstances,

"(B) such child or children are applicants for or recipients of assistance available under such a plan or program,

"(C) such agency has attempted without success to secure such information from all other sources reasonably available to it, and

"(D) such information is requested (for its own use, or on the request and for the use of the court which issued the order) for the purpose of obtaining such support and maintenance.

"(2) A request under paragraph (1) shall be filed in such manner and form as the Secretary may prescribe, and shall be accompanied by a certified copy of the order referred to in paragraph (1)(A).

"(3) The penalties provided in the second sentence of subsection (a) shall apply with respect to use of information provided under paragraph (1) of this subsection except for the purpose authorized by subparagraph (D) thereof.

"(4) The Secretary, in such cases and to such extent as he may prescribe in accordance with regulations, may require payment for the cost of information provided under paragraph (1); and the provisions of the second sentence of subsection (b) shall apply also with respect to payment under this paragraph."

And the Senate agree to the same.

Amendment numbered 473:

That the House recede from its disagreement to the amendment of the Senate numbered 473, and agree to the same with an amendment as follows:

On page 132, line 9, of the Senate engrossed amendments, strike out "344" and insert the following: 341; and the Senate agree to the same.

Amendment numbered 475:

That the House recede from its disagreement to the amendment of the Senate numbered 475, and agree to the same with an amendment as follows:

On page 134, line 18, of the Senate engrossed amendments, strike out "346" and insert the following: 342; and the Senate agree to the same.

Amendment numbered 476:

That the House recede from its disagreement to the amendment of the Senate numbered 476, and agree to the same with an amendment as follows:

On page 135, line 13, of the Senate engrossed amendments, strike out "347" and insert the following: 343; and the Senate agree to the same.

Amendment numbered 477:

That the House recede from its disagreement to the amendment of the Senate numbered 477, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

DISABILITY INSURANCE BENEFITS FOR THE BLIND; SPECIAL PROVISIONS

SEC. 344. (a) Section 216(i)(3) of the Social Security Act (as amended by section 303 of this Act) is further amended by striking out subparagraph (B) and all that follows and inserting in lieu thereof the following:

“(B)(i) he had not less than 20 quarters of coverage during the 40-quarter period which ends with such quarter, or

“(ii) if such quarter ends before he attains (or would attain) age 31 and he is under a disability by reason of blindness (as defined in paragraph (1)), not less than one-half (and not less than 6) of the quarters during the period ending with such quarter and beginning after he attained the age of 21 were quarters of coverage, or (if the number of quarters in such period is less than 12) not less than 6 of the quarters in the 12-quarter period ending with such quarter were quarters of coverage;

except that the provisions of subparagraph (A) of this paragraph shall not apply in the case of an individual with respect to whom a period of disability would, but for such subparagraph, begin before 1951. For purposes of subparagraph (B) of this paragraph, when the number of quarters in any period is an odd number, such number shall be reduced by one, and a quarter shall not be counted as part of any period if any part of such quarter was included in a prior period of disability unless such quarter was a quarter of coverage.”

(b) Section 223(c)(1) of such Act is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

“(B) (i) he had not less than 20 quarters of coverage during the 40-quarter period which ends with the quarter in which such month occurred, or

“(ii) if such month ends before he attains (or would attain) age 31 and he is under a disability by reason of blindness (as defined in section 216(i)(1)), not less than one-half (and not less than 6) of the quarters during the period ending with the quarter in which such month occurred and beginning after he attained the age of 21 were quarters of coverage, or (if the number of quarters in such period is less than 12) not less than 6 of the quarters in the 12-quarter period ending with such quarter were quarters of coverage.

For purposes of subparagraph (B) of this paragraph, when the number of quarters in any period is an odd number, such number shall be reduced by one, and a quarter shall not be counted as part of any period if any part of such quarter was included in a period of disability unless such quarter was a quarter of coverage.”

(c) Section 223(a)(1) of such Act (as amended by section 303 of this Act) is further amended by adding the following sentence at the end thereof: “No payment under this paragraph may be made to an individual who would not meet the definition of disability in subsection (c)(2) except for subparagraph (B) thereof for any month in which he engages in substantial gainful activity, and no payment may be made for such month under subsection (b), (c), or (d) of section 202 to any person on the basis of the wages and self-employment income of such individual.”

(d) The first sentence of section 223(c)(2) of such Act (as amended by

section 303 of this Act) is further amended by adding after subparagraph (A) the following new subparagraph:

“(B) in the case of an individual who has attained the age of 55 and is blind (within the meaning of ‘blindness’ as defined in section 216(i)(1), inability by reason of such blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.”

(e) The amendments made by this section shall apply only with respect to monthly benefits under title II of the Social Security Act for months after the first month following the month in which this Act is enacted, on the basis of applications for such benefits filed in or after the month in which this Act is enacted.

And the Senate agree to the same.

Amendment numbered 485:

That the House recede from its disagreement to the amendment of the Senate numbered 485, and agree to the same with an amendment as follows:

On page 142, line 18, of the Senate engrossed amendments, strike out “\$7” and insert the following: \$5; and the Senate agree to the same.

Amendment numbered 486:

That the House recede from its disagreement to the amendment of the Senate numbered 486, and agree to the same with amendments as follows:

On page 143, line 2, of the Senate engrossed amendments, strike out “411” and insert the following: 410

On page 143, lines 6 and 11, of the Senate engrossed amendments, strike out “\$7” and insert the following: \$5

And the Senate agree to the same.

Amendment numbered 487:

That the House recede from its disagreement to the amendment of the Senate numbered 487, and agree to the same with an amendment as follows:

On page 143, line 18, of the Senate engrossed amendments, strike out “\$7” and insert the following: \$5; and the Senate agree to the same.

Amendment numbered 488:

That the House recede from its disagreement to the amendment of the Senate numbered 488, and agree to the same with an amendment as follows:

On page 146, line 1, of the Senate engrossed amendments, strike out “\$7” and insert the following: \$5; and the Senate agree to the same.

Amendment numbered 499:

That the House recede from its disagreement to the amendment of the Senate numbered 499, and agree to the same with amendments as follows:

Strike out the matter proposed to be stricken out by the Senate amendment, insert the matter proposed to be inserted by the Senate

amendment, and on page 294, line 26, of the House engrossed bill, strike out "such Act" and insert the following: *the Social Security Act*; and the Senate agree to the same.

Amendment numbered 511:

That the House recede from its disagreement to the amendment of the Senate numbered 511, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

ELIGIBILITY OF CHILDREN OVER AGE 18 ATTENDING SCHOOL

SEC. 409. Clause (2)(B) of section 406(a) of the Social Security Act is amended by striking out "(as determined in accordance with standards prescribed by the Secretary) a student regularly attending a high school in pursuance of a course of study leading to a high school diploma or its equivalent," and inserting in lieu thereof "(as determined by the State in accordance with standards prescribed by the Secretary) a student regularly attending a school, college, or university,".

And the Senate agree to the same.

Amendment numbered 512:

That the House recede from its disagreement to the amendment of the Senate numbered 512, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

DISREGARDING CERTAIN EARNINGS IN DETERMINING NEED OF CERTAIN DEPENDENT CHILDREN

SEC. 410. Effective July 1, 1965, so much of clause (7) of section 402(a) of the Social Security Act as follows the first semicolon is amended by inserting after "except that, in making such determination," the following: "(A) the State agency may disregard not more than \$50 per month of earned income of each dependent child under the age of 18 but not in excess of \$150 per month of earned income of such dependent children in the same home, (B)".

And the Senate agree to the same.

Amendment numbered 513:

That the House recede from its disagreement to the amendment of the Senate numbered 513, and agree to the same with amendments as follows:

On page 149, line 13, of the Senate engrossed amendments, strike out "Sec. 412." and insert the following: *Sec. 411.*

On page 149, line 18, of the Senate engrossed amendments, strike out "(a)".

On page 150, line 13, of the Senate engrossed amendments, strike out "sections." and insert the following: *sections.*"

On page 150 of the Senate engrossed amendments, strike out line 14 and all that follows through line 5 on page 152.

And the Senate agree to the same.

Amendment to title:

That the House recede from its disagreement to the amendment of the Senate to the title of the bill.

W. D. MILLS,
CECIL R. KING,
HALE BOGGS,
EUGENE J. KEOGH,
JOHN W. BYRNES,
THOS. B. CURTIS,
JAMES B. UTT,

Managers on the Part of the House.

RUSSELL B. LONG,
GEO. A. SMATHERS,
CLINTON P. ANDERSON,
JOHN J. WILLIAMS,
FRANK CARLSON,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6675) to provide a hospital insurance program for the aged under the Social Security Act with a supplementary health benefits program and an expanded program of medical assistance, to increase benefits under the old-age, survivors, and disability insurance system, to improve the Federal-State public assistance programs, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The following Senate amendments made technical clerical, clarifying, or conforming changes: 1, 3, 4, 5, 6, 10, 11, 12, 13, 14, 18, 20, 21, 22, 23, 24, 26, 27, 29, 30, 36, 37, 38, 39, 40, 41, 43, 44, 45, 46, 47, 48, 49, 49a, 49b, 51, 52, 53, 54, 56, 57, 58, 60, 61, 62, 64, 65, 68, 69, 71, 72, 73a, 75, 76, 77, 78, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 107, 108, 109, 110, 111, 112, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127a, 133, 135, 136, 139, 140, 142, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 157, 161a, 162a, 162b, 162c, 164a, 165, 168, 170, 171, 172, 173, 174, 175, 176a, 177, 179, 182a, 182b, 183, 184, 185, 185a, 185b, 187, 188, 189, 190, 194, 196, 196a, 197, 198, 199, 200, 201, 202, 204, 206, 207, 208, 209, 211, 212, 213, 214, 218, 224, 225, 226, 228, 229, 230, 231, 235, 236, 237, 238, 239, 241, 242, 243, 244, 245, 246, 252, 253, 255, 256, 257, 258, 259, 260, 261, 264, 265, 268, 269, 275, 278, 279, 280, 283, 284, 286, 287, 291, 292, 294, 297, 301, 307, 308, 310, 311, 314, 315, 318, 319, 320, 321, 322, 323, 324, 326, 327, 328, 331, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 347, 348, 349, 350, 351, 354, 356, 359, 365, 369, 370, 371, 372, 375, 377, 379, 388, 390, 392, 395, 398, 450, 451, 452, 453, 454, 455, 456, 481, 482, 483, 489, 490, 493, 494, 495, 496, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, and 509.

With respect to these amendments (1) the House either recedes or recedes with amendments which are technical, clerical, clarifying, or conforming in nature; or (2) the Senate recedes in order to conform to other action agreed upon by the committee of conference.

REQUIREMENT OF PRIOR HOSPITALIZATION FOR COVERAGE OF HOME HEALTH SERVICES UNDER PART A; DURATION OF SUCH SERVICES

Amendments Nos. 2, 9, 19, 42, and 161: The House bill limited payment for home health services under part A of the new title XVIII of the Social Security Act to services furnished an individual within 1 year following his most recent discharge from a hospital in which he stayed at least 3 days or, if later, 1 year following his most recent discharge from an extended care facility in which he received covered posthospital extended care services. Under the House bill, payment would be made for up to 100 visits during such 1-year period after the

beginning of one spell of illness and before the beginning of the next such spell, and the services would be covered only if the physician certified that the individual required home health services for any of the conditions for which he was receiving inpatient hospital services or posthospital extended care services.

The Senate amendments (1) deleted the requirement of prior hospitalization; (2) removed the requirement of certification described above; and (3) provided for payment for up to 175 home health visits per calendar year.

The Senate recesses.

DURATIONAL LIMITATION ON INPATIENT HOSPITAL BENEFITS

Amendments Nos. 7 and 25: Under the House bill, section 1812 of the new title XVIII of the Social Security Act provided for a durational limitation on payments for inpatient hospital services of 60 days per spell of illness.

The Senate amendments modified the House provision by changing sections 1812 and 1813 of the new title XVIII of the Social Security Act to remove the durational limitation on payments for inpatient hospital services, and to provide for reducing the payment for each day after the 60th day of hospital care in each spell of illness by a deduction equal to one-fourth of the inpatient deductible (a \$10 reduction initially).

The conference agreement provides for a durational limitation on inpatient hospital benefits of 90 days per spell of illness, with payment by the program for each day after the 60th day and before the 91st day of hospital care reduced by a coinsurance amount equal to one-fourth of the inpatient hospital deductible. (This change, and other changes, in terminology from "deduction" to "coinsurance amount" help make it clear that the amounts in question are not "deductibles" for purposes of the new title XIX of the Social Security Act, relating to Federal-State medical assistance programs.)

DURATIONAL LIMITATION ON EXTENDED CARE SERVICES; INPATIENT PSYCHIATRIC AND TUBERCULOSIS HOSPITAL SERVICES FOR INDIVIDUAL HOSPITALIZED ON ENTITLEMENT

Amendments Nos. 8, 17, and 31: Under the House bill, sections 1812(a), 1812(c), and 1813 of the new title XVIII of the Social Security Act provided that payment would be made for posthospital extended care services for up to 20 days in a spell of illness, plus 2 additional days (up to a maximum of 80 additional days) for each day that the person's hospital stay was less than 60 days. Section 1812(d) provided that if an individual were in a tuberculosis hospital on the first day of the first month for which he was entitled to benefits under the hospital insurance program, the days on which he was an inpatient of a tuberculosis hospital in the 60-day period preceding that first day would be counted toward the 60-day maximum limit on benefit payments for inpatient hospital services in a spell of illness.

The Senate amendments provided that payment would be made for up to 100 days of posthospital extended care services in a spell of illness, with payment by the program for each day after the 20th day of such services reduced by a coinsurance amount equal to one-eighth

of the inpatient hospital deductible (a \$5 reduction initially). The Senate amendments deleted (1) the provision that payment could be made for additional days of posthospital extended care services; and (2) section 1812(d).

The House recedes with a technical amendment and an amendment providing that days in a psychiatric or tuberculosis hospital in the 90-day period immediately preceding an individual's entitlement to hospital insurance benefits will be counted toward the 90-day limitation on payments for inpatient hospital care in a spell of illness, but not toward the 190-day lifetime limitation discussed below.

INPATIENT PSYCHIATRIC HOSPITAL SERVICES

Amendments Nos. 15, 67, and 79: Under the House bill, section 1832(a)(2)(A) in part B of the new title XVIII of the Social Security Act provided for coverage of inpatient psychiatric hospital services, with a lifetime limit of 180 days on coverage of such services. The Senate amendments transferred coverage of inpatient psychiatric hospital services from part B to part A of title XVIII and provided for a lifetime limit of 210, rather than 180, days on coverage of inpatient psychiatric hospital services.

Under the conference agreement, inpatient psychiatric hospital services are covered under part A of the new title XVIII, and there is a lifetime limit for each individual for such coverage of 190 days.

POSTHOSPITAL EXTENDED CARE FOR MENTAL DISEASE

Amendments Nos. 16 and 158: Section 1861(j) of the new title XVIII, added to the Social Security Act by the House bill, excluded from the definition of an extended care facility an institution which is primarily for the care and treatment of mental diseases or tuberculosis.

The Senate amendment deleted this exclusion and added a new provision including within the lifetime limit imposed on inpatient psychiatric hospital services any days of posthospital extended care services for the care or treatment of any mental disease (whether or not such services are furnished in a facility that is primarily for the care and treatment of mental diseases).

The Senate recedes. Under the conference agreement an institution which is primarily for the care and treatment of mental diseases or tuberculosis is excluded from the definition of an extended care facility.

OUTPATIENT HOSPITAL DIAGNOSTIC SERVICES AND INPATIENT DEDUCTIBLE

Amendments Nos. 25, 28, and 74: Under the House bill, section 1813(a)(1) of the new title XVIII of the Social Security Act provided for crediting against the inpatient hospital deductible the amount of the outpatient hospital diagnostic deductible in certain instances where the individual was hospitalized in the same hospital after receiving outpatient diagnostic services.

Senate amendment No. 25 deleted this provision. Senate amendment No. 74 added a provision to section 1833(b) of the new title XVIII under which an outpatient diagnostic deductible imposed under

part A of title XVIII would be counted as an incurred expense for purposes of the \$50 deductible under part B. Senate amendment No. 28 added a provision to section 1813(a)(2) of the new title XVIII, under which payment by the program for outpatient hospital diagnostic services would be reduced by 20 percent of the remainder of the reasonable cost of the services after deduction of the deductible amount.

The House recedes with technical amendments and with an amendment providing that an outpatient diagnostic deductible incurred in the last 3 months of any calendar year will apply against the \$50 deductible amount under part B in the following year if it was applied against the \$50 deductible for the calendar year in which the diagnostic services were furnished.

ROUNDING OF INCREASES IN INPATIENT HOSPITAL DEDUCTIBLE

Amendments Nos. 32, 33, 34, and 35: The House bill provided, in section 1813(b)(2) of the new title XVIII, that in determining the amount of the inpatient hospital deductible in the future, any amount which is not a multiple of \$5 would be rounded to the nearest multiple of \$5.

The Senate amendment provided for rounding to the nearest multiple of \$4.

The House recedes.

EMERGENCY HOSPITAL SERVICES FURNISHED OUTSIDE THE UNITED STATES

Amendment No. 50: The Senate amendment added to the House bill a new section 1814(f) of the new title XVIII. The amendment provided for payment for certain emergency inpatient hospital services furnished outside the United States despite the general exclusion, in both the House and Senate bills, of services furnished outside the United States. Such emergency services would be covered only if the patient was within the United States when the emergency which necessitated the hospitalization occurred and only if the hospital in question was closer or substantially more accessible than comparable facilities within the United States.

The House recedes.

RELIEF FROM LIABILITY OF AGENCY OR ORGANIZATION WHERE CERTIFYING OR DISBURSING OFFICER IS RELIEVED OF LIABILITY

Amendments Nos. 55 and 129: The Senate amendment added to section 1816(g) and section 1842(e) of the new title XVIII provisions which would grant to agencies and organizations authorized to make payments under part A and carriers authorized to make payments under part B the same immunity from liability for incorrect payments as would be provided their certifying and disbursing officers.

The House recedes.

GENERAL REVENUE FINANCING OF HOSPITAL BENEFITS BEYOND THE 60TH DAY

Amendment No. 59: The Senate added an amendment to the new section 1817(a) of the Social Security Act which authorized appro-

priations from the general fund in the Treasury sufficient to place the Federal hospital insurance trust fund in the same position as if hospital insurance benefits were not payable beyond 60 days during a spell of illness.

The Senate recesses.

NAME OF THE SUPPLEMENTARY PROGRAM

Amendment No. 63: The House bill referred to the program provided under part B of the new title XVIII as "supplementary health insurance". The Senate amendment changed the name to "supplementary medical insurance".

The House recesses.

INCORPORATION OF PHYSICIANS' SERVICES IN DEFINITION OF MEDICAL AND OTHER HEALTH SERVICES AND COVERAGE OF CHIROPRACTORS' AND PODIATRISTS' SERVICES

Amendments Nos. 66, 166, and 186: Under the House bill, section 1832(a)(1) of the new title XVIII of the Social Security Act listed physicians' services and medical and other health services separately, and section 1861(s) (redesignated as 1861(r) by the Senate bill) which defined medical and other health services did not include physicians' services in the definition. Under the House bill, services of chiropractors and podiatrists were not listed as covered services.

The Senate amendments included physicians' services in the definition of medical and other health services in the redesignated section 1861(r) and did not list physicians' services separately in section 1832(a)(1). The Senate amendments also provided for coverage of chiropractors' and podiatrists' services as medical and other health services.

The conference agreement includes physicians' services in the definition of medical and other health services and the effect of the agreement is to exclude chiropractors' and podiatrists' services from coverage as medical and other health services.

PROFESSIONAL SERVICES OF CERTAIN MEDICAL SPECIALISTS

Amendments Nos. 70 and 141: Under the House bill, section 1861(b) of the new title XVIII excluded from the definition of inpatient hospital services the medical or surgical services of physicians. Except for the services of certain interns and residents in training, physicians' services would not be covered under part A of title XVIII but would be covered only under part B. Under section 1832(a) of title XVIII, payment could not be made under part B to a provider of services (a hospital, extended care facility, or a home health agency) for the services of a physician; the payment would have to be made to the beneficiary or, under certain circumstances, to the physician.

Senate amendment No. 141 added to section 1861(b) of the new title XVIII a provision under which payment under part A would be made for the services of physicians in the fields of pathology, radiology, physiatry, and anesthesiology when their services are provided by the hospital or under "arrangements" with the hospital. "Arrangements" would be limited to those under which receipt of payment by the hospital discharged the liability of the beneficiary or

any other person to pay for the specialist's services. Amendment No. 70 modified section 1832(a) of the new title XVIII to permit payment to be made under part B of the new title to a provider of services for physicians' services in the fields of pathology, radiology, physiatry, or anesthesiology where the physician's services were furnished by the physician under arrangements with the provider of services.

The conference agreement follows the House bill with a technical amendment on Senate amendment No. 70.

OPTION TO RECEIVE PAYMENT ON BASIS OF COST INSTEAD OF CHARGES
FOR PREPAYMENT ORGANIZATIONS

Amendment No. 73: Section 1833(a)(1) of the new title XVIII, added by the House bill, required that payment under part B of the new title for physicians' services and for other medical and health services not furnished by a provider of services (a hospital, extended care facility, or home health agency) must be made on the basis of charges rather than cost.

Senate amendment No. 73 modified this provision to provide, for group practice prepayment plans, the option of having the program pay, with respect to the covered services (including physicians' services) they furnish their members, 80 percent of reasonable cost instead of 80 percent of reasonable charges.

The House recedes.

ELIGIBILITY REQUIREMENTS FOR ALIENS

Amendments Nos. 95, 215, and 216: Section 103(a)(4) of the House bill provided that an alien who otherwise meets the eligibility requirements under the transitional provision providing eligibility for certain uninsured individuals under part A of the new title XVIII must also, to be eligible, have resided continuously in the United States for 10 or more years immediately preceding the month in which he applied for hospital insurance protection. Section 1836 of the new title XVIII, under the House bill, provided that an alien who otherwise meets the eligibility requirements for enrollment under part B of the new title, must also, to be eligible, have been lawfully admitted for permanent residence in the United States.

Senate amendment No. 215 added, to the eligibility requirements of the House bill for an alien under the transitional provision for eligibility under part A, the requirement that the alien have been lawfully admitted for permanent residence; and amendment No. 216 reduced the required period of continuous residence in the United States from 10 years to 6 months. Amendment No. 95 added, to the eligibility requirements of the House bill for an alien under part B of title XVIII, the requirement that the alien must have resided continuously in the United States for 10 or more years immediately preceding the month in which he applied for enrollment under part B.

Under the conference agreement, to be eligible for the transitional provision for purposes of part A, an alien must have been lawfully admitted for permanent residence in the United States and must have resided continuously for 5 or more years immediately preceding application for benefits. For enrollment under part B, an alien must either (1) have been lawfully admitted for permanent residence in

the United States and have resided continuously in the United States for 5 or more years immediately preceding application for enrollment; or (2) be entitled to hospital insurance benefits under part A.

TIME FOR ENROLLMENT IN THE SUPPLEMENTARY INSURANCE PROGRAM

Amendments Nos. 96, 97, 98, 99, and 100: The House bill provided under section 1837 of the new title XVIII that individuals who reach age 65 before 1966 would have an enrollment period beginning with the second month after the month of enactment of the bill and ending on March 31, 1966. The House bill also provided for there to be general enrollment periods during the last quarter of odd-numbered years beginning with 1967.

The Senate amendments provided for an enrollment period during the second and third quarters of 1966 for persons who reach age 65 before July 1966 and general enrollment periods during the last quarter of even-numbered years beginning in 1968.

The conference agreement follows the House bill, with a technical amendment.

EFFECTIVE DATE FOR BENEFITS UNDER THE SUPPLEMENTARY INSURANCE PROGRAM

Amendment No. 101: This amendment modified section 1838(a)(1) of the new title XVIII by providing that payment would be made under part B for services furnished on or after January 1, 1967, rather than for services furnished on or after July 1, 1966.

The Senate recedes.

BEGINNING DATE OF COVERAGE PERIOD UNDER THE SUPPLEMENTARY INSURANCE PROGRAM

Amendment No. 102: Under the House bill, section 1838(a) of the new title XVIII provided that an individual who enrolled under part B of the new title during the 7-month enrollment period beginning with the third month before the month he reached age 65 would have protection under the supplementary insurance program beginning with the third month following the month in which he enrolled.

Under Senate amendment No. 102, the same 7-month enrollment period is retained but the individual's coverage would take effect as follows: If the individual enrolled before the month in which he attained age 65, the insurance would take effect with the month in which he attained age 65; if he enrolled in the month in which he attained age 65, the insurance would take effect with the following month; if he enrolled in the month following the month in which he attained age 65, it would take effect with the second month following the month of enrollment; if he enrolled more than 1 month following the month in which he attained age 65, the insurance would take effect with the third month following the month in which he enrolled.

The House recedes.

YEARS WHEN PREMIUM AMOUNTS APPLY AND ARE DETERMINED

Amendments Nos. 103, 104, 105, and 106: Under the House bill, section 1839 of the new title XVIII provided that monthly premiums under the supplementary insurance program would be \$3 until 1968.

For 1968 and subsequent years, the monthly premiums would be subject to change. The Secretary of Health, Education, and Welfare would, between July 1 and October 1, 1967, and each odd-numbered year thereafter, determine and promulgate the monthly premium.

The Senate amendment provided for the \$3 premium amount to remain in effect through 1968 and for changes in premiums to be determined by the Secretary in 1968 and each even-numbered year thereafter.

The Senate recedes.

DEDUCTION FROM CIVIL SERVICE ANNUITIES OF PREMIUMS UNDER THE SUPPLEMENTARY INSURANCE PROGRAM

Amendment No. 113: This amendment added to section 1840 of the new title XVIII a new subsection (e) authorizing the withholding of premiums of an enrolled individual from the annuity he receives under the civil service retirement system or any other retirement system administered by the Civil Service Commission. If the wife of such an individual was also enrolled, and he agreed, her premium could also be withheld from his monthly annuity.

The House recedes.

ADMINISTRATION OF BENEFITS UNDER THE SUPPLEMENTARY INSURANCE PROGRAM

Amendment No. 127: Under the House bill, section 1842(a) of the new title XVIII required the Secretary of Health, Education, and Welfare, to the extent possible, to enter into contracts with carriers which would perform specified functions with respect to administration of all benefits under part B of the new title.

The Senate amendment authorized the Secretary to enter into such contracts with carriers (including carriers which are agencies or organizations with which agreements for administration of pt. A benefits are in effect), and, with respect to functions which involve payments for physicians' services, the Secretary was required, to the extent possible, to enter into such contracts.

The House recedes.

REASONABLE CHARGES UNDER THE SUPPLEMENTARY INSURANCE PROGRAM

Amendment No. 128: The Senate amendment added to section 1842(b)(3) of the new title XVIII a sentence expressly requiring that, in the determination of reasonable charges for covered services under part B of the new title, consideration be given to the customary charges generally made by the physician or other person for furnishing such services as well as the prevailing charges in the locality for similar services.

The House recedes.

STATE AGREEMENTS FOR ENROLLMENT UNDER SUPPLEMENTARY INSURANCE PROGRAM OF AGED RECIPIENTS OF CASH PUBLIC ASSISTANCE

Amendments Nos. 130, 131, 132, and 134: The House bill provided that States could, before July 1, 1967, agree with the Secretary to

enroll their aged public assistance recipients (those receiving money payments) in the supplemental medical insurance program under part B of title XVIII. The States would pay the premiums for these recipients.

The Senate amendments extended the period during which such agreements could be made to January 1, 1968.

The House recedes.

TIME OF APPROPRIATION TO SUPPLEMENTARY INSURANCE TRUST FUND FOR CONTINGENCY RESERVE

Amendments Nos. 137 and 138: The Senate amendment modified section 1844(b) of the new title XVIII to remove the requirement that appropriation of funds to the supplementary medical insurance trust fund for the contingency reserve be made during fiscal year 1966 and to provide that an appropriation so made would remain available through calendar year 1968.

Under the conference agreement, the authorization of appropriations is not limited to the fiscal year 1966, and moneys appropriated pursuant to this authorization are to remain available through the calendar year 1967.

DENTAL INTERNS

Amendment No. 143: The Senate amended the definition, in the new section 1861(b) of the Social Security Act, of the inpatient hospital services to be paid for under the hospital insurance program by adding the services of dental interns and residents-in-training who are under a teaching program approved by the Council on Dental Education of the American Dental Association.

The House recedes.

INDIVIDUAL NOT CONSIDERED DISCHARGED FROM EXTENDED CARE FACILITY IF ADMITTED TO SAME OR ANOTHER FACILITY WITHIN 14 DAYS

Amendment No. 156: Under the House bill, section 1861(i) of the new title XVIII provided that, for purposes of determining whether an extended care facility patient meets the requirement of transfer from a hospital, an individual would not be considered to have been discharged from an extended care facility if he is readmitted to the same facility within 14 days.

The Senate amendment modified this provision so as to provide that an individual would not be considered to have been discharged from an extended care facility if within 14 days he is admitted to the same or any other extended care facility.

The House recedes with technical amendments.

CHRISTIAN SCIENCE NURSING HOMES

Amendment No. 159: The Senate amendment added to the new section 1861(j) of the Social Security Act a provision which would have included Christian Science nursing homes within the term "extended care facility." Payments to such nursing homes would have been subject to regulations of the Secretary.

The conference agreement deletes this provision and provides instead that Christian Science sanatoriums would be included within the definition of an extended care facility. Payment for posthospital extended care services in such facilities would be subject to special limitations, to be prescribed in regulations; services in such facilities would be covered as posthospital extended care services only if the individual elected to have them so covered; payment for posthospital extended care services would be made with respect to services furnished any individual in either Christian Science sanatoriums or in regular extended care facilities, but not in both, during the same spell of illness; payment would be made for up to 30 days only in each spell of illness (instead of the 100 days applicable with respect to extended care services generally) and payment for each day of such services (instead of each day after the 20th day) would be reduced by a coinsurance amount equal to one-eighth of the inpatient hospital deductible (a \$5 reduction initially).

HOSPITAL-EXTENDED CARE FACILITY TRANSFER ARRANGEMENTS

Amendment No. 160: The House bill provided, in section 1861(l) of the new title XVIII, that an extended care facility may be deemed to have a transfer agreement in effect with a hospital under certain circumstances if the facility has attempted to enter into such an agreement with a hospital near the facility. The Senate amended this provision to make it clear that the facility may be deemed to have a transfer agreement in effect whether or not the hospital with which it has attempted to make the agreement is within the State or otherwise.

The conference agreement omits this clarification since under the House bill there was no requirement that the hospital be in the same State as the extended care facility.

DEFINITION OF HOME HEALTH AGENCY

Amendment No. 162: The House bill excluded organizations primarily for psychiatric care from the definition of "home health agency" in the section of the new title XVIII designated 1861(o) in the House bill and 1861(n) in the Senate bill.

The amendment added by the Senate removed that exclusion and added a provision including a Christian Science visiting nurse service within the meaning of the term "home health agency."

The Senate recedes.

DEFINITION OF PHYSICIAN

Amendments Nos. 163 and 164: The Senate amendments modified the definition of "physician" (in the new section of the Social Security Act designated as sec. 1861(r) in the House bill and 1861(q) in the Senate amendments) to mean (1) a doctor of medicine or osteopathy legally authorized to practice medicine and surgery (including osteopathy); and (2) a doctor of dentistry or of dental or oral surgery who is legally authorized to practice dentistry, but only with respect to surgery related to the jaw or the reduction of any fracture of the jaw or any facial bone.

The House recedes.

COVERAGE OF SERVICES INCIDENTAL TO PHYSICIANS' SERVICES

Amendment No. 167: The Senate amendment added to the definition of covered medical and other health services in section 1861(s) of the new title XVIII (redesignated as sec. 1861(r) by the Senate amendments) certain services and supplies incidental to physicians' services.

The House recedes.

DELETION OF SPECIFICATION OF SOME DIAGNOSTIC TESTS

Amendment No. 169: This amendment deleted reference to some specific diagnostic tests covered under the supplementary medical insurance program since they are included under the more general phrase "other diagnostic tests."

The House recedes with a clarifying amendment.

STANDARDS FOR INDEPENDENT LABORATORIES PERFORMING DIAGNOSTIC TESTS UNDER SUPPLEMENTARY PROGRAM

Amendment No. 176: This amendment added to section 1861(s) of the House bill new paragraphs (10) and (11) providing that diagnostic tests performed in a laboratory which is independent of a physician's office or of a hospital would be covered under the supplementary program only if the laboratory is licensed under applicable State or local law or meets standards for such licensing and only if it meets such other requirements relating to the health and safety of individuals with respect to whom tests are performed as the Secretary of Health, Education, and Welfare finds necessary.

The House recedes.

INCLUSION OF HOMEOPATHIC PHARMACOPOEIA AND DRUGS APPROVED BUT NOT LISTED IN APPROVED FORMULARIES

Amendment Nos. 178 and 180: These amendments modified the definition of drugs and biologicals for which payment would be made under the hospital insurance program by adding the United States Homeopathic Pharmacopoeia to the list of drug formularies to be used and by specifying that drugs approved for listing in the approved formularies, although not actually listed, would be included.

The House recedes.

COMBINATIONS OF DRUGS OR BIOLOGICALS

Amendment No. 181: This amendment added to section 1861(t) of the House bill a new clause expressly providing that combination drugs would be included in the definition of drugs and biologicals for which payment could be made where the principal ingredient, or ingredients, are listed in the formularies specified in the bill.

The Senate recedes.

HOSPITAL-COMMITTEE APPROVED DRUGS

Amendment No. 182: The House bill provided, in section 1861(t) in the new title XVIII (redesignated as sec. 1861(s) by the Senate), that the definition of the drugs and biologicals for which payment

could be made under part A of title XVIII would include drugs and biologicals approved by the pharmacy and drug therapeutics committee (or equivalent committee) of the hospital furnishing such drugs and biologicals. The Senate amendment added the requirement that such drugs and biologicals must be approved by such committee for use in such hospital.

The House recedes with a clerical amendment. Under the conference agreement, the hospital committee may approve a drug or biological either for general use in the hospital or for a particular patient or group of patients therein.

ROUTINE DENTAL CARE

Amendment No. 191: The Senate amendment added to section 1862 of the new title XVIII an exclusion from coverage under the hospital insurance and medical insurance programs of expenses for services in connection with the care, treatment, filling, removal, or replacement of teeth or structures directly supporting the teeth.

The House recedes.

HEALTH AND SAFETY REQUIREMENTS

Amendments Nos. 192 and 193: The House bill provided, in section 1863 of the new title XVIII, that conditions for the participation of institutions and agencies relating to health and safety may, at the request of a State, be higher for that State than for other States; in the case of hospitals, the higher requirements could not have been higher than the comparable standards set by the Joint Commission on Accreditation of Hospitals.

The Senate amendment deleted the reference to this limitation (to standards set by the Joint Commission) from the provisions authorizing use of higher health and safety requirements for institutions at the request of a State and further required the Secretary of Health, Education, and Welfare to impose health and safety requirements for institutions in a State (or political subdivision of a State) higher than those of the Joint Commission if the State (or subdivision) imposed such higher requirements as a condition to the purchase of services in such institutions under a State medical assistance plan.

The House recedes with technical conforming amendments and an amendment requiring the imposition of such higher requirements as a condition to the payment for only certain specified services if the State (or subdivision) imposes them as a condition to the purchase of such specified services under such a State medical assistance plan.

CERTIFICATION OF INSTITUTIONS AND AGENCIES BY STATE AGENCIES

Amendment No. 195: Section 1864(a) of the House bill provided that, where a State (or local) agency with which the Secretary of Health, Education, and Welfare had an agreement for the purpose of determining which institutions and agencies qualify to participate in the programs under title XVIII, the Secretary could accept such agency's certification that an institution or agency is a provider of services.

Under the Senate amendment, the Secretary would be required to accept the certification by a State agency that an institution or agency

is a provider of services unless he determined that the institution or agency was so inadequate as to endanger the life or health of the patients.

The Senate recedes.

MINIMUM APPEALS AMOUNT

Amendment No. 203: Section 1869(b) of the House bill provided that any individual dissatisfied with any determination as to the amount of benefits under part A of the new title XVIII where the matter in controversy is \$1,000 or more would be entitled to a hearing thereon by the Secretary of Health, Education, and Welfare and to judicial review of the Secretary's final decision.

Under the Senate amendment such an individual would be entitled to a hearing and to judicial review where the amount in controversy is \$100 or more.

Under the conference agreement an individual would be entitled to a hearing by the Secretary when the amount in controversy is \$100 or more and would be entitled to judicial review of the Secretary's final decision where the amount in controversy is \$1,000 or more. The provisions of section 205 of the Social Security Act and of the Administrative Procedure Act would apply to the administrative and judicial review provided for in the new section 1869(b) to the same extent as they now apply to the appellate procedures for cash benefits under existing law.

OVERPAYMENTS ON BEHALF OF INDIVIDUALS

Amendment No. 205: Section 1870 of the House bill provided that, where an overpayment under part A or B of title XVIII was made and could not be recouped, subsequent cash social security benefits or railroad retirement benefits payable to the individual (or, if such individual dies, benefits payable to others based on his earnings), would be reduced in accordance with regulations prescribed by the Secretary of Health, Education, and Welfare, after consultation with the Railroad Retirement Board.

Under the Senate amendment, section 1870 provided that, where the Secretary found that an overpayment under part A or B of title XVIII was made and could not be recouped, proper adjustment or recovery would be made under regulations prescribed by the Secretary after consultation with the Railroad Retirement Board. The Secretary would make the proper adjustment or recovery by (a) decreasing any payment under title II of the Social Security Act or under the Railroad Retirement Act of 1937, as the case may be, to which such individual is entitled; or (b) requiring such individual or his estate to refund the amount in excess of the correct amount; or (c) decreasing any payment under title II of the Social Security Act or under the Railroad Retirement Act of 1937, as the case may be, payable to the estate of such individual or to any other person on the basis of the wages and self-employment income (or compensation) which were the basis of the payments to such individual; or (d) by applying any combination of the foregoing.

The conference agreement contains the House provision with technical changes.

STUDY OF FEASIBILITY OF DRUG COVERAGE

Amendment No. 210: This amendment added to the new section 1875 of the Social Security Act a provision requiring the Secretary of Health, Education, and Welfare to study the feasibility of covering prescription drugs under part B of the new title XVIII and to report his findings to the Congress on or before June 30, 1966.

The Senate recedes.

ADVANCE FILING UNDER TRANSITIONAL PROVISION

Amendment No. 217: The House bill provided that an application to establish hospital insurance eligibility under section 103 of the bill would not be valid if filed before the first month in which the uninsured individual meets the various eligibility requirements.

The Senate amendment permits filing as early as the third month preceding that month.

The House recedes.

EXCLUSION OF PERSONS COVERED UNDER THE FEDERAL EMPLOYEES
HEALTH BENEFITS ACT OF 1959

Amendment No. 219: The House bill excluded from hospital insurance protection under section 103 of the bill those uninsured persons who are or could have been covered under the Federal Employees Health Benefits Act of 1959.

The Senate amendment modified this exclusion so that it would apply only to individuals who actually are enrolled under that act.

The conference agreement excludes an individual who (1) at the beginning of the first month in which he meets the requirements of section 103(a) of the bill, is covered by an enrollment in a plan under the Federal Employees Health Benefits Act of 1959; (2) was so covered on February 16, 1965; or (3) could have been so covered for such first month if he or some other person had availed himself of opportunities to enroll or continue enrollment (but this last of the three grounds for exclusion would apply only if the individual or such other person was a Federal employee after February 15, 1965). The above three grounds for exclusion would not apply with respect to any month for which an individual is not covered under such a health benefits plan because he or another person separated from Federal service and was not eligible to continue such coverage after separation.

It is hoped that the comprehensive study of retirement provisions for Federal personnel which the executive branch has initiated will include a reexamination of existing health insurance programs for Federal personnel in the light of the hospital insurance and supplementary medical insurance programs established by this bill.

TIME FOR REIMBURSEMENT OF HOSPITAL INSURANCE TRUST FUND FOR
PAYMENTS TO THE UNINSURED

Amendments Nos. 220, 221, 222, and 223: The Senate amendments provided that the amounts to be paid under section 103 of the bill from the general fund to the Federal hospital insurance trust fund for uninsured persons for a fiscal year could be appropriated at the beginning of that year.

The House recedes.

MEDICAL EXPENSE DEDUCTION

Amendment No. 227: Under existing law, taxpayers generally may deduct expenses for medical care only to the extent that they exceed 3 percent of adjusted gross income. Also, in the case of medicine and drugs, taxpayers generally may take into account only the aggregate of the amounts paid in excess of 1 percent of adjusted gross income. However, the 3-percent and 1-percent limitations are not applicable in the case of expenses paid (1) for the care of the taxpayer and his spouse if either has attained age 65 before the close of the taxable year; or (2) for the care of a dependent mother or father of the taxpayer or his spouse, if such mother or father has attained age 65 before the close of the taxable year. Under the House bill, the 3-percent and 1-percent limitations apply without regard to age, but an amount (not in excess of \$250) equal to one-half of the expenses for insurance which constitutes medical care may be deducted without regard to the 3-percent limitation. Senate amendment No. 227 struck out these provisions of the House bill.

Under the conference agreement, the 3-percent and 1-percent limitations will apply without regard to age and an amount (not in excess of \$150) equal to one-half of the expenses for insurance which constitutes medical care may be deducted without regard to the 3-percent limitation.

Amendments Nos. 232 and 233: The bill, as passed by the House, provides, in effect, in the case of an insurance contract under which amounts are payable for other than medical care, that no amount may be taken into account as a medical expense unless the charge is separately stated in the insurance contract. Under the Senate amendments the charge may alternatively be furnished in a separate statement.

The House recedes.

Amendment No. 234: Under existing law, the deduction for medical expenses is limited to \$10,000 (or \$20,000 in case of joint returns, etc.), except that special maximum limitations apply if the taxpayer or his spouse (\$20,000), or both the taxpayer and his spouse (\$40,000), are 65 and disabled. Under the House bill the special limitations would apply without regard to age. Under the Senate amendment all maximum limitations are repealed.

The House recedes with technical amendments. The conferees on the part of the House, in accepting this amendment, recognize that the removal of the ceiling on medical expense deductions, while generally desirable, may raise problems in connection with amounts claimed as medical expense deductions for facilities, devices, services, and transportation which are of the types customarily used, or taken, primarily for other than medical purposes. In some cases, for example, taxpayers have been able to sustain claims for medical deductions for part or all of the costs of installing swimming pools in their yards, air-conditioning systems in their homes, and transportation expenses which may be relatively extensive. Removing the ceiling on medical expense deduction may increase the aggregate amount claimed for deductions of these types. Therefore, the conferees, both on the part of the House and on the part of the Senate, in removing the ceiling on medical expense deductions recognize the desirability of considering legislation dealing with the definition of allowable medical expense deductions.

NURSING HOME STUDY

Amendments Nos. 240 and 247: The Senate amendments added a provision to section 109 of the bill requiring the Secretary of Health, Education, and Welfare to appoint an Advisory Council on Social Security to study nursing homes and other extended care facilities. The Council would, within 1 year after enactment of the bill, submit its report with recommendations regarding the action necessary to make maximum use of extended care facilities to provide high quality care under the hospital insurance program.

The Senate recedes.

HOSPITAL INSURANCE FOR RAILROAD BENEFICIARIES

Amendment No. 248: The House bill, through various amendments to the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, the Federal Insurance Contributions Act, and the Social Security Act, provided health insurance benefits for railroad beneficiaries under the social security program, with hospital insurance taxes imposed under the Federal Insurance Contributions Act.

Senate amendment No. 248 added to the House bill a new section (sec. 111), which, subject to an effective date proviso, provided for imposing hospital insurance taxes on railroad employment under the Railroad Retirement Tax Act, with exchanges of funds with respect to hospital insurance benefits for railroad beneficiaries to be made through financial interchange provisions comparable to those which now apply to old-age, survivors, and disability insurance benefits. The Senate amendment would authorize the Railroad Retirement Board to make determinations as to the rights of railroad retirement beneficiaries to hospital insurance benefits, and to enter into agreements with Canadian hospitals and with hospitals devoted primarily to railroad employees for the purpose of providing hospital insurance benefits for railroad retirement beneficiaries. The Senate amendment would become effective only after the enactment of amendments to the Railroad Retirement Tax Act increasing the maximum amount of monthly compensation taxable under that act to an amount equal to or in excess of one-twelfth of the maximum annual earnings creditable under the hospital insurance program. The House recedes with an amendment.

The conference agreement would delete the provisions in the Senate amendment giving the Railroad Retirement Board authority to enter into agreements with railroad hospitals, and providing for payments to suppliers of services from the railroad retirement account. Under the conference agreement, the Railroad Retirement Board would, as under the Senate amendment, make determinations as to the right of railroad retirement beneficiaries to hospital insurance benefits, but the administration of the benefits provided would be under the social security program. Under the conference agreement the contributions for hospital insurance for railroad workers would be collected in combination with the railroad retirement contributions on the railroad retirement tax base, and the amount of the contributions on the social security base would be transferred from the railroad retirement account to the hospital insurance trust fund through the financial interchange provisions. The effective date provisions of

the Senate amendment would be changed so that the provisions of the bill as passed by the House would be effective for any year during which the railroad retirement taxable wage base (on an annual basis) is different from that of social security.

ADDITIONAL UNDER SECRETARY AND TWO ADDITIONAL ASSISTANT
SECRETARIES OF HEALTH, EDUCATION, AND WELFARE

Amendment No. 249: The Senate amendment added to the House bill a new section (sec. 112) providing for an additional Under Secretary of Health, Education, and Welfare and two additional Assistant Secretaries of Health, Education, and Welfare. The House bill contained no such provision.

The Senate recedes.

REQUIREMENT OF STATE FUNDS TO MEET NON-FEDERAL SHARE OF
MEDICAL ASSISTANCE EXPENDITURES

Amendment No. 250: Under the House bill the new title XIX of the Social Security Act required (effective July 1, 1970) a State plan for medical assistance to provide that all of the non-Federal funds under it shall be from State, rather than from State and local sources.

The Senate amendment provided as an alternative that, if a State, on an equalization or other basis, could assure that lack of adequate funds from local sources would not result in lowering the amount, duration, scope, or quality of care and services available under the plan, local funds could continue to be utilized to meet the non-Federal share of expenditures under the plan.

The House recedes.

NATURE OF STATE AGENCY REQUIRED TO ADMINISTER STATE MEDICAL
ASSISTANCE PROGRAM

Amendment No. 251: Under the House bill, the new title XIX of the Social Security Act provided that an approved program of medical assistance would have to be administered (or its administration supervised) by the State agency responsible for the administration of title I or title XVI (insofar as it relates to the aged) of the Social Security Act.

Senate amendment No. 251 permitted the establishment or designation of any single State agency to administer or supervise the administration of the plan, but required that the determination of eligibility for medical assistance under the plan be made by the State or local agency responsible for administering the State plan approved under such title I or XVI.

The House recedes.

REQUIRED HEALTH AND SAFETY STANDARDS

Amendment No. 254: This amendment added to the House bill a requirement that after June 30, 1967, the requirements and standards established by States under the medical assistance program under the new title XIX must include any requirements contained in standards established by the Secretary relating to protection

against fire and other hazards to the health and safety of individuals in public or private institutions.

The House bill contained no comparable provision.

The Senate recedes.

SPECIAL REQUIREMENTS RELATING TO ASSISTANCE FOR RECIPIENTS IN MENTAL OR TUBERCULOSIS INSTITUTIONS

Amendments Nos. 262, 263, 271, 298, 299, 300, 302, 303, and 304: The House bill imposed certain special requirements for State medical assistance and other Federal-State public assistance programs if the State chooses to include persons aged 65 or over who are patients in hospitals for mental disease or tuberculosis.

Under the Senate amendments, these special provisions applied only in the case of patients in hospitals for mental diseases.

The House recedes.

STANDARDS TO ASSURE HIGH QUALITY OF MEDICAL ASSISTANCE

Amendment No. 266: This amendment required that approved State plans for medical assistance describe the various standards, methods, and arrangements the State expects to use to assure that medical or remedial care provided to recipients of medical assistance is of high quality. The House bill contained no comparable provision.

The House recedes.

FREEDOM TO CHOOSE AGENCY OR PERSON PROVIDING MEDICAL SERVICES

Amendment No. 267: This amendment provided that an individual entitled to medical assistance under an approved State plan (under the new title XIX) might obtain such assistance from any institution, agency, or person qualified to perform the service or services required. The House bill contained no comparable provision.

The Senate recedes.

FEDERAL SHARE OF TRAINING EXPENDITURES

Amendment No. 270: The House bill provided 75 percent Federal participation in expenditures, under an approved State plan for medical assistance, which are attributable to compensation of skilled, professional medical personnel, and staff directly supporting such personnel.

Senate amendment No. 270 provided the same Federal share of expenditures for the training of such personnel.

The House recedes.

EXTENSION OF STATE MEDICAL ASSISTANCE PLANS

Amendment No. 272: The House bill contained a provision requiring approved State plans for medical assistance to show that they were being expanded with a view toward furnishing, by July 1, 1975, comprehensive care and services to substantially all individuals who meet the plan's eligibility standards with respect to income and resources.

A Senate amendment changed this date to approximately 10 years following the taking effect of the State plan.

The Senate recedes.

MEDICAL ASSISTANCE FOR MEDICALLY NEEDY FAMILIES

Amendments Nos. 273 and 274: The House bill included among those eligible for medical assistance under the State plans approved under the new title XIX all children and their relatives responsible for their care who would, if needy, be eligible for aid to families with dependent children (i.e., families in which children are deprived of parental support by reason of the death, absence, incapacity, or unemployment of a parent). Senate amendments Nos. 273 and 274 expanded the definition of eligible persons to include all medically needy children and relatives responsible for their care.

The House recedes with an amendment to include all such children, but limiting the eligibility of relatives to those in families which would, if needy, be eligible for aid to families with dependent children.

NURSING HOME SERVICES AND DENTAL SERVICES

Amendments Nos. 276 and 277: Under the House bill, an approved State plan was required to include skilled nursing home services for all individuals eligible for medical assistance. Dental services could be provided, with Federal financial aid, if the States wished.

The Senate amendments included skilled nursing home services as a required service for individuals aged 21 or over, and dental services as a required service for individuals under age 21. They made skilled nursing home services and dental services for individuals of other ages optional.

Under the conference agreement skilled nursing home services would be required for individuals aged 21 or over, but dental services would be optional with the States for persons of all ages.

TERMINATION OF FEDERAL FUNDS FOR MEDICAL CARE UNDER EXISTING PUBLIC ASSISTANCE PROGRAMS

Amendment No. 281: The House bill terminated Federal sharing in aid or assistance in the form of medical or any other type of remedial care under titles I, IV, X, XIV, and XVI of the Social Security Act with respect to any period after June 30, 1967.

Senate amendment No. 281 continued authorization under the other public assistance titles indefinitely.

The House recedes with an amendment establishing the termination date of Federal financial participation in such aid or assistance under the other titles as December 31, 1969.

EFFECT UNDER OTHER PUBLIC ASSISTANCE PROGRAMS OF DISREGARD OF INCOME UNDER ANY SUCH PROGRAM

Amendment No. 282: A provision of the House bill required that any income which is disregarded or set aside under any other public assistance title must also be disregarded under title XIX (a comparable provision under existing law applies to title X of the Social Security Act).

The Senate amendment extended this principle to all of the public assistance titles.

The House recedes.

NOTICE CONCERNING BENEFITS PROVIDED UNDER TITLE XVIII OF THE
SOCIAL SECURITY ACT

Amendment No. 285: This amendment added a new section 123 to the bill to require the Secretary of Health, Education, and Welfare, before July 1, 1966, to provide personal notice containing specified information relating to benefits under the new title XVIII of the Social Security Act to individuals whom the Secretary has reason to believe will be entitled to benefits under part A of the new title XVIII.

The Senate recedes. It is the understanding of the conferees, on the part of both the House and the Senate, that the appropriate officers and employees of the Social Security Administration will take all feasible steps to give full information, by personal notice and by other means, with respect to the hospital insurance program to individuals who will be eligible for the benefits of such program when it goes into effect or who thereafter become eligible for such benefits.

PROJECT GRANTS FOR HEALTH OF SCHOOL AND PRESCHOOL CHILDREN
(INCLUDING THE EMOTIONALLY DISTURBED)

Amendments Nos. 288, 289, 290, and 293: The House bill amended title V of the Social Security Act by adding a new section 532 authorizing a 5-year program of project grants to promote the health of children of school age or preschool age.

The Senate amendments increased the appropriation authorizations for fiscal years 1968, 1969, and 1970 by \$5 million each and added a specific authorization for project grants for the identification, care, and treatment of emotionally disturbed children.

The Senate recedes.

APPROPRIATION AUTHORIZATIONS FOR CHILD WELFARE SERVICES

Amendment No. 295: This amendment increased the authorization for child welfare services to the same levels provided in the House bill for maternal and child health and crippled children's services. No provision was included in the House bill.

The House recedes with technical amendments.

DAY CARE SERVICES IN CHILD WELFARE SERVICES PROGRAM

Amendment No. 296: This amendment repealed the provisions in title V of the Social Security Act which earmark, for day care services, up to \$10 million per year of the appropriation for child welfare services.

The House bill did not deal with these existing provisions of the Social Security Act.

The House recedes, but with an amendment postponing the effective date of the repeal to January 1, 1966.

HEALTH STUDY OF RESOURCES RELATING TO CHILDREN'S EMOTIONAL ILLNESS

Amendment No. 305: This amendment authorized \$500,000 each for fiscal years 1966 and 1967 for grants for a program to study our resources for finding, preventing, and treating children's emotional illness. No comparable provision was contained in the House bill.

The House recedes.

BENEFIT AMOUNTS

Amendments Nos. 306 and 309: Section 301(a) of the House bill amended section 215(a) of the Social Security Act to provide a new benefit table for determining primary insurance amounts and maximum family benefits, based on the \$5,600 contribution and benefit base scheduled by the House bill to be effective for the years 1966 through 1970. Section 301(f) of the House bill revised and extended the benefit table, effective with monthly benefits payable for months after 1970, to take account of the \$6,600 annual contribution and benefit base that the House bill would make effective for years after 1970.

To take account of the fact that the Senate amendments provide for the \$6,600 contribution and benefit base to be effective for years after 1965, Senate amendment No. 306 substituted for the benefit table in section 301(a) of the House bill a new table corresponding to the table in section 301(f) of the House bill. Senate amendment No. 309 deleted section 301(f) of the House bill.

The House recedes.

DISABILITY INSURANCE BENEFITS

Amendment No. 312: Under existing law, the term "disability" is defined as inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. The bill as passed by the House struck out the requirement that the individual's impairment be one which can be expected to result in death or to be of long-continued and indefinite duration. The effect, in general, would be to take an impairment into account for disability freeze and disability insurance benefit purposes if the period of disability included 6 consecutive calendar months.

Under Senate amendment No. 312, the impairment must be one which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

The House recedes with a technical amendment.

Amendment No. 313: Under existing law (sec. 216(i)(2)) a period of disability ends with the second month after the month in which the disability ceases. Under the bill as passed by the House, if the individual was under a disability for a continuous period of less than 18 calendar months the period of disability would end with the first month after the disability ceased.

Senate amendment No. 313 would in effect retain the rule of existing law.

The House recedes.

Amendments Nos. 316 and 317: Under existing law, an individual's entitlement to disability insurance benefits (in general) begins with the first month after his 6-month waiting period and ends with the second month following the month in which his disability ceases. Under the bill as passed by the House benefits would (in general) begin with the last month of the waiting period and end as provided by existing law except they would end with the first month following such cessation if the individual was under a disability for a continuous period of less than 18 calendar months.

Under Senate amendments Nos. 316 and 317 the rule of existing law as to the period of entitlement to benefits would be retained. Under both the bill as passed by the House and the Senate amendments the requirement that the application be filed while under a disability is eliminated.

The House recedes on Senate amendment No. 316 with a technical amendment, and recedes on Senate amendment No. 317.

SIMULTANEOUS ENTITLEMENT TO A DISABILITY INSURANCE BENEFIT AND AN OLD-AGE INSURANCE BENEFIT

Amendment No. 325: Section 304(a) of the House bill provided that where a worker is simultaneously entitled to an old-age insurance benefit and a disability insurance benefit, only the disability insurance benefit would be payable.

The Senate amendment provides that where a worker is entitled for any month to both a disability insurance benefit and an old-age insurance benefit he is to receive the larger benefit, unless he elects to receive the smaller benefit.

The House recedes.

DISABILITY INSURANCE TRUST FUND

Amendments Nos. 329 and 330: The House bill allocated to the Federal disability insurance trust fund three-fourths of 1 percent (0.75 percent) of taxable wages and nine-sixteenths of 1 percent (0.5625 percent) of taxable self-employment income (0.50 percent of wages and 0.375 percent of self-employment income in existing law) to meet the cost of the disability provisions of existing law and the amendments to these provisions made by the House bill.

The Senate amendment allocated to the disability insurance trust fund 0.76 percent of taxable wages and 0.57 percent of taxable self-employment income to meet the cost of the disability program as amended by the Senate bill.

The conference agreement allocates to the Federal Disability Insurance Trust Fund 0.70 percent of taxable wages and 0.525 percent of taxable self-employment income to meet the cost of the disability program under the conference agreement.

CHILDHOOD DISABILITY BENEFITS

Amendments Nos. 332, 333, and 346: Section 306 of the House bill, relating to the payment of child's insurance benefits to children age 18 through 21 attending school, made no change (other than changes conforming to the changes in the disability provisions under sec. 303

of the House bill) in the provision for paying child's insurance benefits after age 18 to an individual whose disability began before age 18.

The Senate amendment modified section 306 by removing the changes conforming the section to the disability provisions in the House bill and adding a provision permitting a child disabled before age 22 (rather than before age 18) to be entitled to a child's insurance benefit should his parent retire, die, or become disabled.

Under the conference agreement, the disability must have begun before age 18.

RESTORATION OF BENEFIT RIGHTS AFTER REMARRIAGE

Amendments Nos. 352, 353, 355, 357, 358, 360, and 361: Section 308 of the House bill, relating to the payment of wife's or widow's benefits to divorced women, provided for reinstating widow's and mother's insurance benefits (and, in the case of a divorced wife, wife's insurance benefits) in cases where such benefits had terminated on account of remarriage but the remarriage ended in divorce after less than 20 years. (There are comparable provisions in the present social security law for reinstating benefits after a remarriage that ends in the death of the husband after less than 1 year.)

The Senate amendments provided that widow's and mother's insurance benefits (and, in the case of a divorced wife, wife's insurance benefits) would be payable to women who are not married, regardless of any intervening marriage that has ended.

The House recedes.

LIBERALIZATION IN THE RETIREMENT TEST

Amendment No. 362: Section 310 of the House bill amended section 203(f) of the Social Security Act to provide that if a beneficiary earns more than \$1,200 in a year, \$1 in benefits would be withheld for each \$2 of earnings between \$1,200 and \$2,400 (rather than between \$1,200 and \$1,700 as under existing law), and \$1 in benefits would be withheld for each \$1 of earnings above \$2,400. As under existing law, no benefit would be withheld for any month in which the beneficiary earns \$100 or less in wages and does not engage in self-employment.

The Senate amendment changed section 310 of the bill so that it amends sections 203(f) and 203(h) of the Social Security Act to provide (1) that the amount of yearly earnings which a beneficiary can have and still get all of his benefits for the year would be increased from \$1,200 to \$1,800; (2) that \$1 in benefits would be withheld for each \$2 of earnings between \$1,800 and \$3,000 and for each \$1 of earnings thereafter; and (3) that no benefit would be withheld for any month in which the beneficiary earns \$150 or less in wages and does not engage in self-employment.

The House recedes with an amendment which provides (1) that the amount of yearly earnings which a beneficiary can have without having any benefits withheld will be increased to \$1,500; (2) that \$1 in benefits will be withheld for each \$2 of earnings between \$1,500 and \$2,700 and for each \$1 of earnings thereafter; and (3) that no benefit will be withheld for any month in which the beneficiary earns \$125 or less in wages and does not engage in self-employment.

COVERAGE FOR DOCTORS OF MEDICINE

Amendment No. 363: Section 311 of the House bill amended section 211(c) of the Social Security Act and section 1402(c) of the Internal Revenue Code of 1954 so as to extend coverage under social security to earnings derived by self-employed doctors from the practice of medicine, effective for taxable years ending after December 31, 1965.

Under the Senate amendment, coverage for self-employed doctors of medicine would begin with taxable years ending on or after December 31, 1965.

The House recedes.

COVERAGE OF TIPS

Amendment No. 364: Section 313 of the bill as passed by the House amended both the Social Security Act and the Internal Revenue Code of 1954 to extend social security coverage with respect to tips received by employees. In addition, the bill as passed by the House required employers to withhold the income tax attributable to tips from wage payments to employees.

In extending social security coverage with respect to tips, the House bill provided a method for the collection of the Federal Insurance Contribution Act taxes imposed by sections 3101 and 3111 of the Internal Revenue Code. Under this method, an employee who received tips would be required to report the amount thereof to his employer periodically and the employer with certain limitations would be made liable for the taxes imposed by sections 3101 and 3111 of the code with respect to tips so reported. One such limitation was a provision limiting the employer's liability for the taxes imposed by section 3101 of the code (the employee taxes) to amounts which could be collected by deducting the taxes from wages (other than tips) of the employee and from funds which the employee would have been required to turn over to his employer for this purpose. The wages other than tips from which an employer would have been required to deduct the taxes were limited to those which were under his control from the date on which he received an employee's report of the tips up to the 10th day of the month following the month in which the report was so received. If, without reasonable cause, the employee failed to report tips to his employer as required, or failed to turn over to the employer funds in an amount sufficient to permit the employer to withhold the taxes imposed by section 3101, the employee, in addition to the tax which the employer could not withhold because of such failure, would become liable for a penalty equal to 100 percent of the amount of such tax.

Under the bill as passed by the House, the income tax attributable to tips would be withheld (in much the same manner as the employee social security taxes) by the employer by deducting the tax from wages (other than tips) paid to the employee on the basis of the periodic statements of tips the employee would be required to furnish his employer.

Senate amendment No. 364 substituted for the provisions of section 313 of the bill as passed by the House provisions treating tips received by employees as self-employment income (taxable under ch. 2 of the Internal Revenue Code).

Under the conference agreement, as in the bill as passed by the House, social security coverage is extended with respect to tips by adding a new paragraph at the end of section 209 of the Social Security Act and a new subsection (q) to section 3121 of the Internal Revenue Code to provide that tips received by an employee in the course of his employment are to be considered remuneration for employment for social security purposes and are to be deemed paid to the employee at the time reported to his employer pursuant to 6053(a) of the Internal Revenue Code (added by sec. 313(e)(2) of the bill). The new subsection (q) of section 3121 of the Internal Revenue Code does not apply for purposes of the taxes imposed on employers by section 3111 of the code. Thus, tips are not considered as remuneration for employment for purposes of the employer taxes imposed by section 3111 of the code. The effect of this limitation is to prevent the imposition of the employer taxes with respect to tips received by employees (and the amounts transferred to the Federal old-age and survivors insurance trust fund, the Federal disability insurance trust fund, and the Federal hospital insurance trust fund in respect of the taxes imposed by sections 3101 and 3111 of the code will be determined by taking this limitation into account). An additional effect of such limitation is to exclude tips from the computation of the \$6,600 limitation in the definition of the term "wages" contained in section 3121(a)(1) of the code for purposes of section 3111 of the code, although tips are included in computing such \$6,600 limitation for purposes of section 3101 of the code. The determination of the existence of an employee-employer relationship with respect to any tip recipient is to be made in accordance with existing law and nothing contained in section 313 of the bill is intended to bear on such determination. Under the conference agreement, the provisions of section 313 of the bill are to apply with respect to all tips received by employees after 1965 including those which under existing law would have been covered for social security tax purposes by reason of being accounted for by the employee to the employer. The provisions of section 313 of the bill, of course, do not apply to amounts which, although denominated tips, constitute wages under present law irrespective of whether accounted for by the employee to his employer.

The bill as passed by the House added a new subsection (c) to section 3102 of the code. Paragraph (2) required an employee to turn over to his employer funds in an amount which, when added to the wages of the employee (other than tips) under the control of the employer would provide an amount from which the employer could deduct the employee taxes imposed by section 3101 of the code in respect of tips. Under the conference agreement the new section 3102(c)(2) is modified to provide that the employee may furnish such funds to his employer but is not required to do so.

The bill as passed by the House also added a new section 3102(c)(3) to the code which contained provisions permitting employers (when authorized to do so by regulations prescribed by the Secretary of the Treasury or his delegate) to deduct the tax imposed by section 3101 of the code in respect of tips from wages paid during a quarter of a calendar year on an estimated basis and to adjust the amount so deducted by making additional deductions from wages paid to the employee during the same quarter. Under the conference agreement the new section 3102(c)(3) is modified to permit the employer to make the

required adjustment by deducting amounts from wages (not including tips) paid to the employee either during such calendar quarter or within 30 days after the end of such calendar quarter. The limitation on the liability of the employer for the taxes imposed by section 3101 contained in the new section 3102(c)(1) also is modified to conform to this 30-day extension of the period during which the employer is to deduct the tax.

Under the conference agreement a new section 3102(c)(4) is added to the code. Under this provision an employee is required to pay directly to the Internal Revenue Service that part of the taxes imposed by section 3101 in respect of tips which exceeds the portion of such tax which can be collected by the employer (from wages, including funds turned over by the employee) pursuant to the new section 3102(c). In such cases, the tax is to be collected from employees pursuant to regulations prescribed by the Secretary or his delegate under the general provisions of subtitle F of the Internal Revenue Code.

In order for the employee to be able to report and pay to the Internal Revenue Service the portion of the employee taxes which the employer is unable to withhold, the conference agreement (new sec. 6053(b) of the code) requires employers to furnish to their employees written statements showing the amount by which (A) the taxes imposed by section 3101 with respect to tips which were reported by the employee to the employer, exceeds (B) the taxes which the employer could collect from wages of the employee (other than tips) and from funds turned over to him by the employee. The statements are to be furnished at such time, contain such information, and be in such form as the Secretary or his delegate prescribes by regulations. In addition, the employer, when required by regulations so to do, is to furnish a duplicate of the statements to the Internal Revenue Service. Sections 6674 (fraudulent statement or failure to furnish statement to employee) and 6652(b) (failure to file certain information returns) are amended to extend the penalties provided by such sections to the comparable failures in respect of the new statements.

The bill as passed by the House added a new section 6652(c) to the code. The effect of the new section was to provide a penalty for failure (other than for reasonable cause and not due to willful neglect) of an employee to report the receipt of tips to his employer as required by section 6053(a) of the code and to furnish to his employer funds in an amount sufficient to enable the employer to deduct the taxes imposed by section 3101 of the code. The penalty was to be an amount equal to 100 percent of the taxes the employer was unable to collect because of such failures by the employee. Under the conference agreement, the penalty is to be imposed only for failures of employees to report the receipt of tips to their employers as required under section 6053(a), and the amount of the penalty is to be an amount equal to 50 percent of the taxes imposed by section 3101 of the code with respect to the tips the employee has so failed to report.

Under the conference agreement, as in the bill as passed by the House, the income tax attributable to tips is required to be withheld by employers. However, under the conference agreement, section 3402(h)(3) of the code is amended to permit the adjustment, required in the case of an employer who is using the average basis for with-

holding income tax at source during a calendar quarter, to be made with respect to the amount required to be deducted in respect of tips by making additional deductions during the 30 days following the close of the calendar quarter.

INCLUSION OF ALASKA AMONG STATES PERMITTED TO DIVIDE THEIR RETIREMENT SYSTEMS

Amendment No. 366: Section 314 of the House bill amended section 218(d)(6)(C) of the Social Security Act to add Alaska and Kentucky to the list of States which are permitted to divide a retirement system into two parts for purposes of obtaining social security coverage for only those employees in the system who desire it.

The Senate amendment deleted the provision adding Kentucky to this list of States.

The House recedes.

EMPLOYEES OF NONPROFIT ORGANIZATIONS

Amendments Nos. 367 and 368: Section 316 of the House bill amended section 3121(k) of the Internal Revenue Code of 1954 so as to permit a nonprofit organization to file a waiver certificate and make it retroactive for up to 5 years (rather than 1 year under present law) before the quarter in which the certificate is filed. An organization filing a waiver certificate during or before the year of the enactment of the bill could amend the certificate to begin coverage as early as 5 years before the quarter in which the certificate is amended. In addition, the House bill amended section 105 of the Social Security Amendments of 1960 to provide that employees who were reported erroneously and who are no longer employed when the organization files its waiver certificate could validate such erroneous reportings.

Under Senate amendment No. 367, the amendment of a certificate to make it retroactive (or to provide increased retroactivity) would apply only to individuals who concur in the filing of the amendment. Senate amendment No. 368 added to section 316 of the House bill a new subsection (d) which would permit certain employees whose wages were erroneously reported by a nonprofit organization during the period the organization's waiver certificate was in effect to validate such erroneously reported wages.

The House recedes.

CONTRIBUTION AND BENEFIT BASE

Amendments Nos. 373, 374, 376, 378, 380, 381, 382, 383, 384, 385, 386, 387, 389, 391, 393, 394, 396, 397, 399, 400, 401, 402, 403, 404, 405, and 406: Section 320 of the House bill amended the Social Security Act to increase the earnings counted for benefit and tax purposes to \$5,600 beginning with 1966 and \$6,600 beginning with 1971.

Under the Senate amendments, the earnings counted for benefit and tax purposes would be increased to \$6,600 beginning with 1966.

The House recedes.

CHANGES IN TAX SCHEDULES

Amendments Nos. 407 through 449: The following table shows the tax schedule in the House bill and that in the Senate bill:

Contribution rates for employees and employers each

[In percent]

Year	House bill			Senate bill		
	OASDI	HI	Total	OASDI	HI	Total
1966.....	4.0	0.35	4.35	3.85	0.325	4.175
1967-68.....	4.0	.50	4.50	3.85	.50	4.35
1969-70.....	4.4	.50	4.90	4.50	.50	5.00
1971-72.....	4.4	.50	4.90	4.50	.55	5.05
1973-75.....	4.8	.55	5.35	4.95	.65	5.60
1976-79.....	4.8	.60	5.40	4.95	.70	5.65
1980-86.....	4.8	.70	5.50	4.95	.80	5.75
1987 and after.....	4.8	.80	5.60	4.95	.85	5.80

Contribution rates for the self-employed

[In percent]

Year	House bill			Senate bill		
	OASDI	HI	Total	OASDI	HI	Total
1966.....	6.0	0.35	6.35	5.8	0.325	6.125
1967-68.....	6.0	.50	6.50	5.8	.50	6.30
1969-70.....	6.6	.50	7.10	6.8	.50	7.30
1971-72.....	6.6	.50	7.10	6.8	.55	7.35
1973-75.....	7.0	.55	7.55	7.0	.65	7.65
1976-79.....	7.0	.60	7.60	7.0	.70	7.70
1980-86.....	7.0	.70	7.70	7.0	.80	7.80
1987 and after.....	7.0	.80	7.80	7.0	.85	7.85

The conference agreement provides the following tax schedule:

[In percent]

Year	Employers and employees, each			Self-employed		
	OASDI	HI	Total	OASDI	HI	Total
1966.....	3.85	0.35	4.20	5.8	0.35	6.15
1967-68.....	3.90	.50	4.40	5.9	.50	6.40
1969-72.....	4.40	.50	4.90	6.6	.50	7.10
1973-75.....	4.85	.55	5.40	7.0	.55	7.55
1976-79.....	4.85	.60	5.45	7.0	.60	7.60
1980-86.....	4.85	.70	5.55	7.0	.70	7.70
1987 and after.....	4.85	.80	5.65	7.0	.80	7.80

APPLICATIONS FOR BENEFITS

Amendment 457: Existing law provides (in general) that applications filed more than 3 months before an individual becomes entitled to benefits are not to be treated as valid applications. The Senate amendment added a new section 328 to the House bill amending sections 202(j)(2), 216(i)(2), and 223(b) of the Social Security Act so as to extend the life of applications for social security benefits to the

date of final decision thereon by the Secretary of Health, Education, and Welfare.

The House recedes.

OVERPAYMENTS AND UNDERPAYMENTS

Amendment No. 458: The Senate amendment added to the House bill a new section 329, amending section 204 of the Social Security Act to authorize the Secretary of Health, Education, and Welfare to recover overpayments made to a beneficiary by decreasing, during the overpaid beneficiary's lifetime, the benefits of another beneficiary entitled on the basis of the same earnings record; to permit the Secretary to waive recovery or adjustment of an overpayment from any person who is without fault in the overpayment, even if he is not the overpaid person and the overpaid person is at fault; and to authorize the Secretary to establish an order of priority for disposing of amounts due a deceased beneficiary.

Under the conference agreement, the change in existing law is limited to cases of underpayments in which an individual dies before completion of payment of amounts due him under title II of the Social Security Act and the total amount due him at the time of his death does not exceed an amount equal to 1 month's benefit. In such a case, payment is to be made to his surviving spouse who was living in the same household, or, if there is no such spouse, to the legal representative of his estate.

PAYMENTS TO TWO OR MORE INDIVIDUALS OF THE SAME FAMILY

Amendment No. 459: The Senate amendment added to the House bill a new section 330, which amended section 205(n) of the Social Security Act to provide that payment to the surviving payee or payees of a joint benefit check which was not negotiated before one of the payees dies may be authorized in accordance with regulations of the Secretary of the Treasury, and to provide for recovery of any overpayment resulting from the cashing of the joint check.

The House recedes.

VALIDATING CERTIFICATES FILED BY MINISTERS

Amendment No. 460: The Senate amendment added to the House bill a new section (sec. 331) amending sections 1402(e) (5) and (6) of the Internal Revenue Code of 1954. The amendment would under certain conditions permit social security credit to be obtained for the earnings of certain ministers who die or file waiver certificates before April 16, 1966, where such earnings were reported for social security purposes but cannot be credited under existing law.

The House recedes with technical amendments.

DETERMINATION OF ATTORNEYS' FEES IN COURT PROCEEDINGS UNDER TITLE II

Amendment No. 461: The Senate amendment added to the House bill a new section 332, which amends section 206 of the Social Security Act to permit a court which renders a decision favorable to a claimant for benefits to set a reasonable fee, not in excess of 25 percent of

the past due benefits resulting from the decision, for the attorney who represented the claimant before the court. The amendment also permits the Secretary to certify payment of the court-awarded fee to the attorney from the past due benefits of the claimant, and provides that any attorney charging or receiving more than the fee set by the court is subject to a fine of up to \$500, imprisonment up to 1 year, or both.

The House recedes with a technical amendment.

CONTINUATION OF WIDOW'S AND WIDOWER'S INSURANCE BENEFITS AFTER REMARRIAGE

Amendment No. 462: The Senate amendment added a new section (sec. 333) to the House bill providing for the payment of benefits based on a prior spouse's earnings record to widows age 60 or over and to widowers age 62 or over who remarry. The amount of the remarried widow's or widower's benefit would be 50 percent of the primary insurance amount of the deceased spouse, rather than 82½ percent as in the case of unremarried widows and widowers. If a larger benefit would be payable based on the new spouse's earnings record, the excess of that benefit over the benefit based on the prior spouse's earnings would be paid to the remarried widow or widower.

The House recedes with a technical amendment.

CHANGES IN DEFINITIONS OF WIFE, WIDOW, HUSBAND, AND WIDOWER

Amendment No. 463: The Senate amendment added to the House bill a new section (sec. 334) that would provide an exception to the 1-year, duration-of-marriage requirement for spouse's benefits for any wife, widow, husband, or widower who was, in the month before marriage, actually or potentially entitled to railroad retirement benefits as a widow, widower, parent, or disabled adult child. Similar rules apply under existing law where the wife, widow, husband, or widower was actually or potentially entitled to similar benefits under title II of the Social Security Act.

The House recedes.

REDUCTION OF BENEFITS ON RECEIPT OF WORKMEN'S COMPENSATION

Amendment No. 464: The Senate amendment added a new section 335 to the House bill which provides that social security disability benefits for any month for which a worker is receiving a workmen's compensation benefit will be reduced to the extent that the total benefits paid to him and his dependents under both programs exceed the higher of (1) 80 percent of his average current earnings, or (2) the total of his disability insurance benefit for such month and of any monthly insurance benefits under section 202 for such month based on his wages and self-employment income. For this purpose, an individual's average current earnings is the larger of (A) the average monthly wage used in computing the disability insurance benefit, or (B) one-sixtieth of the total of his wages and self-employment income for the 5 consecutive calendar years after 1950 for which such wages and self-employment income were highest. The reduction is to be periodically adjusted to take account of changes in national average earnings. The new section will be applicable with respect to benefits

payable for months after December 1965 on the basis of disabilities commencing after June 1, 1965.

The House recedes with technical amendments.

METHOD OF MAKING CERTAIN DISABILITY DETERMINATIONS

Amendment No. 465: This amendment added a section 336 to the bill to include among the individuals with respect to whom the Secretary of Health, Education, and Welfare would make the disability determinations referred to in section 221(a) of the Social Security Act (that is, determinations of whether an individual is under a disability and of the day such disability began, and the determination of the day on which such disability ceases) those individuals with respect to whom the Secretary, in accordance with regulations prescribed by him, finds that a determination of disability or cessation of disability can be made on evidence specified in the amendment.

The Senate recedes.

PAYMENT FOR COSTS OF REHABILITATION FROM TRUST FUNDS

Amendment 466: The Senate amendment added a new section 337 to the House bill amending section 222 of the Social Security Act. For the purpose of making vocational rehabilitation services more readily available to disabled individuals who are entitled to disability benefits (or entitled to child's insurance benefits after age 18 where the child is disabled) and to the end that savings will result to the Federal Disability Trust Fund and the Federal Old-Age and Survivors Insurance Trust Fund, the new section authorized transfers from the trust funds of such sums as may be necessary to enable the Secretary of Health, Education, and Welfare to pay the costs of vocational rehabilitation services for such disabled individuals. The total amount made available during any fiscal year may not exceed 1 percent of the total amount certified for payment in the preceding year as (1) benefits for children over 18 and under a disability, and (2) disability insurance benefits.

The House recedes with technical amendments. The conference agreement relates to payment for the costs of rehabilitation services, and it is expected that this will be accomplished through use of rehabilitation and training facilities and services which are otherwise available.

TEACHERS IN THE STATE OF MAINE

Amendment No. 467: The Senate amendment added to the House bill a new section (sec. 338) which would extend from July 1, 1965, to July 1, 1970, the period during which the State of Maine is permitted (under sec. 316 of the Social Security Amendments of 1958) to treat teaching and nonteaching employees who are actually in the same retirement system as though they were under separate retirement systems for social security coverage purposes.

The House recedes with an amendment the effect of which is to change "July 1, 1970" to "July 1, 1967."

EXCLUSION FROM COVERAGE OF CERTAIN STUDENTS IN IOWA AND
NORTH DAKOTA

Amendment No. 468: The Senate amendment added to the House bill a new section (sec. 339) which would permit the State of Iowa and the State of North Dakota to modify their coverage agreements with the Secretary of Health, Education, and Welfare under section 218 of the Social Security Act so as to exclude from social security coverage service performed in any calendar quarter in the employ of a school, college, or university by a student if the remuneration for such service is less than \$50.

The House recedes with a clerical amendment.

QUALIFICATION OF CHILDREN NOT QUALIFIED UNDER STATE LAW

Amendment No. 469: The Senate amendment added to the House bill a new section (sec. 340) which would provide for the payment of benefits to a child, regardless of whether he has the status of a child under applicable State law, if the father had acknowledged the child in writing, had been ordered by a court to contribute to the child's support, or had been judicially decreed to be the child's father, or, he had been shown by other satisfactory evidence to be the child's father and was living with or contributing to the support of the child.

The House recedes with a clerical amendment.

EMPLOYEES OF MEMBERS OF AFFILIATED GROUP OF CORPORATIONS

Amendment No. 470: The Senate amendment added to the House bill a new section (sec. 341) to provide that in cases where a person works for more than one corporation in an affiliated group of corporations during the calendar year, the affiliated group (rather than each corporation, as under present law) would be considered to be a single employer for purposes of determining the maximum amount of wages subject to employer and employee taxes.

The Senate recedes.

ACTUARIALLY REDUCED BENEFITS AT AGE 60

Amendment No. 471: The Senate amendment added to the House bill a new section (sec. 342) amending section 202 of the Social Security Act to provide that workers, wives, husbands, widowers, and parents would be eligible for benefits at age 60 rather than at age 62 as under existing law. The amendment also amended subsections (q) and (r) of section 202 of the act to provide that where an individual elects to receive his benefits before age 65 in the case of workers, wives, or husbands, or before age 62 in the case of widowers or parents, the benefits would be actuarially reduced. (A provision to make widow's benefits available at age 60, with the benefits actuarially reduced, is included in section 307 of the bill as agreed to in conference.)

The Senate recedes.

DISCLOSURE UNDER CERTAIN CIRCUMSTANCES TO WELFARE AGENCIES
OF WHEREABOUTS OF INDIVIDUALS

Amendment No. 472: The Senate amendment added to the House bill a new section 343, amending section 1106 of the Social Security Act, to require the Secretary to furnish promptly, at the request of a welfare agency or a court, the most recent address in the social security records for a person who has failed without lawful excuse to provide support for his or her destitute child or children under age 16, or his destitute wife.

The House recedes with an amendment requiring the Secretary to furnish, at the request of a State or local agency participating in any State or local public assistance program, the most recent address in the social security records for a parent (or his most recent employer, or both) who has failed to provide support for his or her destitute child or children under age 16 who are recipients of or applicants for assistance under such public assistance program, where there is a court order for the support of the children and the information requested is to be used by the welfare agency or the court on behalf of the children.

EXTENSION OF TIME FOR MINISTERS TO ELECT COVERAGE

Amendment No. 473: The Senate amendment added to the House bill a new section (sec. 344) amending sections 1402(e) (2) and (3) of the Internal Revenue Code of 1954. The amendment extends the period during which ministers may file waiver certificates electing social security coverage. If a certificate is filed after the date of enactment of the bill and on or before the due date of the return (including any extension thereof) for the second taxable year ending after 1963, the certificate is to be effective for the taxpayer's first taxable year ending after 1962 and all succeeding years. In the case of a calendar-year taxpayer the due date of the return for such second taxable year is April 15, 1966, and the certificate would apply to 1963 and succeeding taxable years.

The House recedes with a clerical amendment.

INTERRELATIONSHIP BETWEEN VETERANS' BENEFITS AND INCREASED
SOCIAL SECURITY BENEFITS

Amendment No. 474: The Senate amendment added to the House bill a new section (sec. 345) amending section 503 of title 38, United States Code, for the purpose of excluding the benefit increase provided in the bill from countable income in determining eligibility for and amount of a veteran's pension.

The Senate recedes.

CERTAIN SCHOOL EMPLOYEES IN ALASKA

Amendment No. 475: The Senate amendment added to the House bill a new section (sec. 346) validating, for periods through the year of the enactment of the bill, social security coverage of employees of certain school districts in Alaska which have been included in error as employees of separate political subdivisions under the coverage

agreement between the State of Alaska and the Secretary of Health, Education, and Welfare entered into pursuant to section 218 of the Social Security Act.

The House recedes with a clerical amendment.

CONTINUATION OF CHILD'S INSURANCE BENEFITS AFTER ADOPTION BY
BROTHER OR SISTER

Amendment No. 476: The Senate amendment added to the House bill a new section (sec. 347) under which a child's brother or sister would be included in the list of relatives (under existing law, the step-parent, grandparent, aunt, or uncle) who may adopt a child after the death of the worker on whose earnings the child is entitled to benefits without causing termination of the child's insurance benefits.

The House recedes with a clerical amendment.

DISABILITY INSURANCE BENEFITS FOR THE BLIND; SPECIAL PROVISIONS

Amendment No. 477: This amendment added a new section to the bill (1) to provide, for purposes of both disability insurance benefits and the disability freeze, that the term "disability" includes blindness (as defined by the amendment), and (2) to provide that an individual whose disability is blindness (as so defined) be insured for disability insurance benefits for any month if he had not less than 6 quarters of coverage before the quarter in which such month occurs. (Existing law requires an individual to be fully insured and to have 20 quarters of coverage in the 40 quarters ending with the quarter in which the disability begins.) The term "blindness" was defined to mean central visual acuity of 20/200 or less in the better eye, or visual acuity greater than 20/200 if accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20°. The amendment also provided for payment of disability benefits after age 65 in such cases.

Under the conference agreement, an individual who becomes disabled before age 31, and whose disability is blindness (as defined for disability freeze purposes under existing law), is insured for disability insurance benefits for any month if not less than one-half (and not less than 6) of the quarters during the period ending with the quarter in which such month occurs and beginning after he attained the age of 21 were quarters of coverage, or (if the number of quarters in such period is less than 12) not less than 6 quarters in the 12-quarter period ending with such quarter were quarters of coverage. Similar rules are provided for purposes of the disability freeze.

The conference agreement also provides disability insurance benefits for disabled individuals who are blind (within the meaning of existing law) and have attained 55. For such purposes, the term "disability" is defined to mean inability by reason of blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which the individual has previously engaged with some regularity and over a substantial period of time. If the individual engages in substantial gainful activity in a month, no payment of a disability insurance benefit is to be made to him for such month, and no payment of a wife's, husband's, or child's insurance benefit is to be made for such month on the basis of his wages and self-employment income.

INCREASE IN FEDERAL SHARE OF PUBLIC ASSISTANCE EXPENDITURES

Amendment No. 478: The House bill increased the Federal share of the expenditures for cash assistance and medical care under State plans approved under title I, IV, X, XIV, or XVI of the Social Security Act. This change was to be effective for expenditures after December 31, 1965.

The Senate amendment advanced this date to June 30, 1965.
The Senate recedes.

PROTECTIVE PAYMENTS FOR PUBLIC ASSISTANCE RECIPIENTS

Amendments Nos. 479 and 480: The House bill authorized protective payments to interested third parties on behalf of aged public assistance recipients who, because of a physical or mental condition, are so unable to manage money that payment of the assistance directly to them would be contrary to their welfare. These payments would be authorized under conditions designed to protect the interests of the needy person.

The Senate amendments authorized comparable provisions with respect to blind and disabled recipients. (The existing law authorizes such payments under the aid to families with dependent children program.)

The House recedes.

DISREGARDING CERTAIN INCOME IN DETERMINING NEED UNDER PUBLIC ASSISTANCE PROGRAMS

Amendments Nos. 484, 485, 486, 487, and 488: The House bill authorized the exemption of a larger amount of earnings than under present law for recipients of old-age assistance and for aged recipients under the State plan approved under title XVI of the Social Security Act.

The Senate amendments changed these provisions in several ways: (1) they advanced the effective date from January 1, 1966, to October 1, 1965; (2) they provided a comparable earnings exemption with respect to disabled recipients under titles XIV and XVI; (3) they included a provision under such titles for disregarding other income and resources of disabled recipients who actually are undergoing vocational rehabilitation; (4) they clarified the exemptions under title XVI with respect to individuals who are both aged and blind or aged and disabled to assure that the individual would qualify for the largest exemption to which he might be entitled; and (5) they provided for the exemption, over and above any other exemptions allowed, of up to \$7 a month of income from any source, and whether or not earned.

The House recedes with an amendment reducing the monthly exemption of the income referred to in clause (5) above from \$7 to \$5. The \$5 (or lesser amount) of income which may be disregarded for a month may be earned income, income from relatives or any other type of income.

REVIEW OF CERTAIN ADMINISTRATIVE DETERMINATIONS UNDER PUBLIC ASSISTANCE PROGRAMS

Amendments Nos. 491 and 492: The House bill provided, in relation to judicial review of the Secretary's decisions regarding public assistance plans, that the findings of the Secretary unless substantially contrary to the weight of evidence would be conclusive.

The Senate amendments changed the language "unless substantially contrary to the weight of the evidence" to "if supported by substantial evidence."

The House recedes.

TECHNICAL AMENDMENTS TO ELIMINATE PUBLIC ASSISTANCE PROVISIONS

Amendment No. 497: Under the House bill, after June 30, 1967, payments to the States with respect to aid or assistance in the form of medical or any other type of remedial care could be made only under the new title XIX of the Social Security Act (and not, as at present, under title I, IV, X, XIV, or XVI). Section 408 of the House bill eliminated those public assistance provisions which would become obsolete as of July 1, 1967.

Under the conference action explained above with respect to Senate amendment No. 281, payments to States with respect to aid or assistance in the form of medical or any other type of remedial care may not be made under title I, IV, X, XIV, or XVI after December 31, 1969.

The House recedes. Those provisions of these titles which are in effect in 1969 and which will become obsolete on January 1, 1970, should at some time be removed from the law to simplify it.

OPTOMETRISTS SERVICES

Amendment No. 510: The House bill included a provision in the new medical assistance title (title XIX of the Social Security Act) that, if eyeglasses are provided, the individual must be free to choose whether these are prescribed by a physician skilled in the diseases of the eye or an optometrist. It also carried over from existing law the requirement that the individual be free to choose either a physician or an optometrist to examine his eyes to determine whether he is blind.

Senate amendment No. 510 extended this principle of freedom of choice to all titles of the Social Security Act and to all services which an optometrist is licensed to perform.

The Senate recedes.

ELIGIBILITY OF CHILDREN OVER 18 ATTENDING SCHOOL

Amendment No. 511: This amendment would broaden the type of schools that children over the age of 18 and under the age of 21 may attend and receive aid to families with dependent children payments in which the Federal Government will participate. The extension would be from the requirement that the child be (as determined in accordance with standards prescribed by the Secretary of Health, Education, and Welfare) a student regularly attending a high school

in pursuance of a course of study leading to a high school diploma or its equivalent, to the requirement that he be (as determined by the State in accordance with standards prescribed by the Secretary) a student regularly attending a school, college, or university. The House bill contained no provision on this subject.

The House recedes.

DISREGARDING CERTAIN EARNINGS OF DEPENDENT CHILDREN

Amendment No. 512: This amendment would permit States, effective July 1, 1965, in determining need for assistance under aid to families with dependent children programs, to disregard not more than \$50 per month of the earned income of a dependent child under the age of 18, but would limit the exemption to not more than three children in the same home. There was no provision on this subject in the House bill.

The House recedes with an amendment making the family limitation \$150 per month for children in the same home.

ALTERNATIVE FEDERAL PAYMENTS WITH RESPECT TO PUBLIC ASSISTANCE EXPENDITURES

Amendment No. 513: This amendment added two provisions (in a new sec. 1118 of the Social Security Act) relating to the Federal share of expenditures for public assistance: (1) it would permit any State which has in effect a plan approved under the new title XIX to claim Federal participation in its expenditures under all of its Federal-State public assistance programs by application of the new formula contained in title XIX instead of using the varying formulas in the existing titles, and (2) it would permit any State, for the period January 1 through June 30, 1966, which could meet substantially all of the objectives and requirements of the new title XIX under its assistance programs approved under the other titles of the Social Security Act to receive Federal participation in its medical assistance expenditures by application of the formula provided in title XIX and, at its option, to have this formula applied in determining the Federal share for its money payments. No comparable provisions were in the House bill.

The House recedes with an amendment retaining the first but not the second provision.

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